

KLONDIKE
BUSINESS RETENTION AND DEVELOPMENT SURVEY

2011

FINAL REPORT

KLONDIKE DEVELOPMENT ORGANIZATION

MARCH 2011

PREPARED BY

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1. BACKGROUND

Klondike Development Organization (KDO) is a partnership of City of Dawson, Dawson City Chamber of Commerce, Klondike Visitors Association and Dawson City Arts Society. It envisions a resilient Klondike where highly engaged citizens, networks and organizations collaborate to build a sustainable economy.

It focuses multi-stakeholder collaboration on diversifying and strengthening the local economic base through pro-active strategies and services aimed at retaining and growing a healthy business base; increasing access to equity investment capital; strengthening economic and social sectors critical to the future of the Klondike; and addressing strategic gaps in services.

The resilience of the Klondike is defined in terms of an optimal population level and demographic profile that would support a wider range of local goods and services and take Dawson to the 'next level'. The goal is to grow the Klondike population through pro-active community revitalization and renewal. KDO focuses on strategies that will maximize impact on population growth particularly amongst the young.

In 2007, Dawson City Chamber of Commerce undertook a community-wide business survey, *Strengthening Our Voice: The Chamber Goes Prospecting*, as part of its strategic planning process.

Businesspeople strongly felt that the Chamber should prioritize supporting and encouraging community economic development. Specifically, the Chamber should actively partner with other key agencies and organizations in the community. Additionally, there was considerable interest in business learning, with 80% of members and 65% of non-members interested in community economic development, growing business, business financing and strategic planning. Grass-roots information and advisory services were seen to be lacking. Simply put, there is no assistance with day-to-day business problem solving.

KDO STRATEGY ONE - ENTERPRISE DEVELOPMENT AND RETENTION

Research and discussion has confirmed that business attraction will be challenging and so not a priority. Sub-strategies are focused directly on the retention and expansion or creation of businesses and key services important to maintaining a healthy sized population and a sustainable and vibrant quality of life.

A) Retention

There are some businesses and services that if lost decrease the ability of Dawson to sustain the population base needed to maintain the community at the current level. Business owners and operators exhibit an aging demographic and experience has suggested that business succession planning in the community is weak. Many businesses have shut down and though some may not have been viable some closed because of no apparent means for dealing with succession. There is anecdotal evidence of many people wanting to sell businesses but no strategy.

B) Expansion

There are some parts of the local and regional economy that hold potential for expansion. Significant results from current mining exploration in the region indicate a high potential for economic benefits and impacts on the Klondike. Cultural investments have transformed a cluster of social enterprises and other businesses that have grown over the last several years. There may be room for further expansion

There is no current organized capacity in the community to systematically address the retention of businesses and services essential to the long-term viability of the Klondike. Outside of volunteer leadership, there are no community-based staff or professional capacity to systematically support the capture of benefits from regional mining, cultural industry development and other potential growth areas. There is a need to support enterprise development related to those parts of the regional economy where growth potential exists and where overall resilience can be strengthened.

KDO intends to deliver a complete suite of facilitation services as a one-stop-shop entry point for entrepreneurs and investors seeking regional information and assistance with enterprise development and investment planning. Services will likely include assistance with permitting, research and statistical data, site selection, business succession and a community assistance and mentoring network amongst others.

2. SURVEY METHODOLOGY

2.1 INTRODUCTION

As noted in the background, the needs and opportunities of the local business community are central to the future of the local economy. Existing businesses in the community also represent a major source of investment and a resource for job creation where there is scope for them to strengthen and expand - a study by McKinsey and Associates in 1993 found that more than two thirds of investment in regions comes from local businesses.

To deliver effective support for community economic development, it is necessary to gain an accurate understanding of the needs, weaknesses, capacities and strengths of the business community and its potential for growth. The survey will identify:

- Key issues and opportunities related to business retention and development including:
 - Succession and other business factors that threaten the current or future viability of businesses
 - Opportunities and impacts associated with businesses in the region where growth appears likely
- Business support service and labour force needs
- Businesses interested in advisory services related to expansion and succession
- Regional business expenditure leakages: who, what, why and how much

The intended outcomes are feasible actions to expand business and employment opportunities such as:

- An early warning system to identify problems before they threaten key businesses and services
- Coherent services and the resources to retain and grow strategic businesses and services
- A Klondike business-to-business commerce platform that reduces business spending leakage

2.2 KEY ROLES

Klondike Development Organization Board

- Championed the project and motivated others to participate
- Determined the overall scope, objectives and policy of the survey, including the number and type of businesses to be surveyed and how they would be surveyed
- Oversaw and supported implementation of the survey
- Will develop and implement necessary action plans resulting from the survey findings

Consultant Project Manager

Responsible for the day-to-day activities of the survey, providing information, guidance, training and analytical services including the following:

- Organized initial meetings with interested people and organizations, and community meeting for presentation of results
- Developed and implemented strategies to engage residents in the project
- Liaised with interested organizations
- Acted as a media contact
- Harnessed community support for the project
- Recruited and trained interviewer to facilitate the survey
- Wrote the report, including data analysis, findings and recommendations

Interviewer

- Identified a list of businesses for the survey
- Contacted business owners by telephone or by calling in to the business: (a) to explain survey; (b) to promote participation; and, (c) to assure confidentiality
- Distributed surveys by email or hand delivery, and/or organized visits to businesses
- Where an online survey option was used, sent link to businesses and reminders when necessary
- Collected the survey form and/or interviewed the business to fill it out
- Inputted survey responses into the database.

2.3 STAGE ONE – PROJECT PLANNING AND PREPARATION

Step 1: Questionnaire development

Standard Questions

The questionnaire had sections on:

- Business details
- Labour force needs
- Business expenditure
- Business expansion
- Business retention
- Business support services

Supplementary Questions

What do you see as some of the main assets of Dawson as a place to live and own a business?
What can be done to make the local economy stronger and to create more jobs?
What main changes would you like to see made to improve this area?

The full questionnaire can be found in Appendix Two.

Step 2: Interviewer training

Interviewer Qualifications

Personal attributes

- Awareness of the overall KDO objectives
- Able to respect and exercise confidentiality
- Mature approach to dealing with other people
- Committed to the project and to encouraging households to participate
- Enthusiasm and reliability
- Willingness to work within project timeframe
- Attention to detail and accuracy

Skills

- Confident and plausible manner
- Good listening skills
- Ability to record responses accurately and concisely
- Computer skills

Training sessions were conducted with the research assistants to make them thoroughly familiar with the questionnaire and to understand the meaning of each question. The assistants were instructed, when assisting with survey completion, to avoid being leading or indicate any partiality by giving apparent agreement or disagreement to enquiries and responses. Other issues addressed were:

- Confidentiality
- Clear printing — legible surveys are important
- Promptness
- Courtesy

Test Survey

Practice surveys and interviews were conducted with the KDO Board to acquaint them with the questionnaire and the process and to test the format. Minor adjustments were made to the questions and the formats to reflect the feedback received.

Step 3: Business identification

- Approximately 187 businesses (2010 Yukon Business Survey) implied a target of 60 or more responses to give enough data for analysis at a confidence level of 10% and the absolute minimum required for proper analysis was 30.
- Face-to-face interviews were used wherever possible, augmented by some phone interviews, written questions and online if necessary at <https://www.surveymonkey.com/s/KlondikeBusinessSurvey>
 - Reduced the problems with low response rates,
 - Greater appreciation by the interviewer of the issues confronting business proprietors
 - Opportunity for respondents to add supplementary commentary
 - Where an interviewee was unsure about a question, there was a chance to clarify the matter.
 - Opportunities to fully appreciate the nature of some businesses and collateral benefits such as developing business linkages or networks
 - Engaged with and learned about businesses that would not otherwise be involved in such exercises, bringing great benefits to those businesses and the community in general.
- Interviews were conducted by a research assistant interviewer
- All returns were inputted manually to the online database and destroyed.
- Sampling was random but ensured coverage of different industry sectors
- Major employers were included
- Other businesses were selected by asking some of the following questions:
 - What types of businesses employ the most people?
 - What businesses make the community unique?
 - Have any business areas experienced problems or shown potential for growth?

Step 4: Project publicity

Effective promotion to the community was crucial. This was done through media contact and a public meeting to explain the survey, organizational needs, implementation steps and anticipated results.

2.4 STAGE TWO – CONDUCTED SURVEY

Step 5: Questionnaire distribution

- Contacted all businesses with a copy of questionnaire and requested an interview.
- Hand-delivered questionnaires when possible, emailed and/or mailed if necessary
- Allowed up to 2-3 weeks between contact and interview date or follow-up
- Provided an alternative response method to the in-person interview such as phone, email or online if necessary

Step 6: Interview scheduling

- Completed all interviews within three weeks of initial contact\
- When calling:
 - Stated the purposes of the survey project
 - Stressed the confidentiality of survey responses.
- Offered several alternative times for interviews, such as breakfast or evening meetings, or at a location other than the office.

Step 7: Interview conduct

- Prior to the visit reviewed the package of material and carefully read the survey questionnaire.
- Gathered information, did not give advice.
- Before the interview began, informed the business owner/manager of the commitment to confidentiality.
- If the owner/manager did not wish to respond to a question, did not force a response. Let the businessperson know that there was no need to explain the reasons.

Interviewer Checklist

A. *When calling for an appointment*

- 1) May I speak to _____?
- 2) My name is ____; I'm working on the Business Retention and Development Survey project now running in Dawson.
- 3) Have you received the questionnaire we sent you about the project?
- 4) When would it be convenient for me to go through it with you?
- 5) It'll save time if you fill in as much as possible before we meet.

B. *Tips for the Interview*

- 1) Sit next to them with the form between you or make sure that you both have a copy of the questionnaire in front of you
- 2) Remember your role is to record responses. Encourage full responses, but don't express your own views.
- 3) Confidentiality is paramount. Always keep completed questionnaires in a folder or envelope. Don't mention which firms you are visiting or what they've said.
- 4) Thank them for their time and input.
- 5) If they miss the appointment, make one further attempt.

Businesses who did not respond by any method within three weeks of contact received a follow-up phone call or visit.

So businesses are reassured that their participation was valued, sent thank-you emails or letters to them immediately after the interview or their questionnaire was returned.

3. RESULTS

The total sample size was 53, approximately 28% of Klondike businesses. They are responsible for a total of 467 employment positions, including 114 full-time jobs and 279 full-time equivalents. The average business has been in operation for 18.6 years and operated by the current owner/manager for 11.4 years. It employs 2.2 people full-time, 0.6 part-time, 5.4 seasonally and 0.6 casually. The sample was generally representative of the Klondike business community and, notwithstanding the voluntary nature of the survey, the results can be broadly extrapolated to represent the Klondike business community at large.

The full survey results can be found in the data tables in Appendix One. The data collected was retained online and is accessible for further analysis as required for future studies or development feasibilities. The following are highlight results only. The full questionnaire can be found in Appendix Two.

3.1 LABOUR FORCE NEEDS

- 17.3% and 15.4% increased full and part-time positions respectively in the last two years
- 21.2% and 19.2% expect to increase full-time and part-time positions respectively in the next two years
- 34% of businesses have difficulty retaining employees

3.2 BUSINESS EXPENDITURE

- 89% deliberately search out Klondike suppliers and 90% are prepared to spend more to buy locally
- Average local buy price premium tolerance is 12%
- Average proportion spent outside is 44%
- Average amount spent outside is \$145,230

3.3 BUSINESS EXPANSION

- 66% have expanded in the last 2 years
- 55% experience demand for products or services they cannot supply
- 58% experience specific barriers to meeting local demand
- Over two-thirds expect to increase demand, sales and profits over the next two years
- Only 57% want to expand in next 2 years with 28% no and 15% unsure
- Expansion constraints are lead by staff needs, 58%, finance 44% and suitable premises 25%

3.4 BUSINESS RETENTION

- Only 7.5% are considering relocation outside Klondike
- 19% expect to exit their business in the next five years and 21% are unsure
- 62% do not have an exit plan and 10% are unsure

3.5 BUSINESS SUPPORT SERVICES

- 25% have approached government or business development organizations in last year
- 34% are interested in being contacted by an advisor to discuss their business plans
- 75% are interested in being contacted about business support and training services
- 94% do or could work cooperatively with other businesses
- 62% would use a community exchange to find local suppliers or customers

3.6 GENERAL

- Assets of Klondike as a place to live and do business
 - People 14%
 - Sense of community 13%
 - Small size of community 11%
- Ways to strengthen the economy and create more jobs
 - Affordable housing 15%
 - Land development 9%
 - Government decentralization 9%
- Changes to improve the area
 - Affordable housing 16%
 - Recreation 13%
 - Land development 9%

4. FINDINGS

4.1 LABOUR FORCE NEEDS

Needs are significant and growing with almost 20% of businesses expecting to increase employment in the next two years. Employee retention problems are exacerbated by access to affordable housing and the difficulty of offering full-time permanent employment in a community that experiences large seasonal swings in economic activity. Measures used to recruit from outside the Klondike are limited with most businesses relying on word of mouth and Klondike Outreach to promote vacancies.

*Ability to recruit labour and skills from **outside** the Klondike is required*

A list of critical labour force and skills shortages to be targeted was developed, including, but not limited to:

- Accounting
- Boat captains and engineers
- Bookkeepers
- Butcher(s)
- Class 1 drivers
- Class 3 drivers
- Cooks
- Daycare workers
- Desktop publishing
- Electricians
- Equipment mechanics
- Equipment operators
- Hair stylist
- Helicopter pilots
- Housekeepers
- Journeyman carpenters
- Mechanics
- Produce person
- Plumber
- Seamstress
- Small engine mechanics

4.2 BUSINESS EXPENDITURE

While almost all businesses deliberately search out Klondike suppliers and are prepared to spend more to buy locally, the average proportion spent outside is 44%, equating to \$145,230 per year. This amounts to an estimated \$27.2 million leaving the region annually from all businesses. The average local-buy premium tolerance is 12%, which is comparable to that expressed by households but also far below the typical price premium in the marketplace (*Klondike Household Survey 2011, Across The River Consulting*). Outside spending is driven primarily by availability with price and selection much less important.

It is likely impossible to replace some of the lead spending items such as technology, equipment and parts due to their specialized nature and the need for large retail inventories. The list of items that business considers feasible for local supply is a better guide to leakage reduction targets and venture opportunities. These full lists can be found in Appendix One.

Office supplies, T-shirt printing, local arts and crafts and local food are priority expenditure reduction targets

4.3 BUSINESS EXPANSION

Expansion has been strong recently with a very high two-thirds of businesses having expanded in the last two years. Growth has been driven broadly by all the key sectors but lead marginally by mineral exploration, consumers and government.

Astonishingly, no companies expect demand, sales or profits to decrease in the next two years and over two-thirds expect increases. That said, only half are considering expanding and a few more are unsure. Expansion reservations are lead by labour force needs and personal reasons. A full 14% cite near-term retirement. Overall business expansion constraints are lead by labour force needs and access to finance.

Over half of businesses experience demand for products or services they cannot supply. These represent growth opportunities for existing businesses or start-up ventures. These include, but are not limited to:

- Airport transportation
- Animal boarding
- Arts and crafts (wider variety)
- Barging
- Bookkeeping (multiple)
- Chimney sweeping
- Electrical (multiple)
- Environmental clean up
- Food services
- Gardening
- Hairstyling
- Housing (multiple)
- Large and/or specialized construction projects
- Large-scale printing
- Meeting rooms (multiple)
- Mini-storage
- Plant materials
- Sausage manufacture
- Small engine repairs
- Sound equipment rentals
- Specialized recycling
- Special events
- Tour planning
- Website development

Over half of businesses experience specific barriers to meeting local demand. These are dominated by labour force needs and freight costs and time.

Labour force needs and access to finance are priority constraints on business expansion

Based on an analysis of answers given, a list of businesses where expansion appears likely, to be targeted for future coherent support services, was developed. This list is confidential at this time.

4.4 BUSINESS RETENTION

A tiny number of businesses had either relocated to the Klondike or were considering leaving the Klondike and these for mostly personal reasons. One significant operation is considering relocation due to the size of the Klondike marketplace and is a target for future support services. The name is confidential at this time.

Attracting existing business to relocate to the Klondike is not a viable strategy

Almost 40% of businesses may look to exit their ownership within the next five years and almost three-quarters have no exit plan in place.

Significant numbers of key businesses and services are at risk due to poor succession planning

Based on an analysis of answers given to the early-warning system within the survey, a list of key strategic businesses and services at risk, to be targeted for future coherent support services, was developed. This list is confidential at this time.

4.5 BUSINESS SUPPORT SERVICES

Three-quarters of businesses are interested in business support and training services and a third would like to speak with a personal advisor to discuss their business plans. Delivery of training is preferred through two to three hour workshops at different times of day. The range of learning interest is wide and lead by:

- Succession planning and exit strategies
- Business strategy planning
- Information technology

Current programs are not meeting support service needs

Almost all businesses are interested in working co-operatively with others. Unsurprisingly given the labour force needs and identified constraints on expansion, lead topics for co-operation include joint staff training and staff sharing. Co-operation interest also reflects the type of support services desired such as learning activities and discussion groups.

Co-operation on labour force needs and training holds significant potential

Almost two-thirds would use a community exchange to find local suppliers or customers.

4.6 GENERAL

A key objective was to understand what attracts businesses to the Klondike and hear what they feel would strengthen the area and its economy, create jobs and make the it a better place to live and do business.

The assets of the Klondike from a business perspective are very similar to those of the general population (*Klondike Household Survey 2011, Across The River Consulting*), being lead by the people and the sense of community. The small size of the community is seen as an asset, making doing business a more pleasant experience. The range and accessibility of business opportunities are important.

Businesspeople are attracted by personal values and lifestyles ahead of economic opportunities

Changes to improve the area, strengthen the economy and create jobs are rooted in the need to attract and retain an increased population to meet the labour force needs of business. Hence the same requirements that are found in the general population are also highlighted by business.

Housing, land development and recreation are priority needs to strengthen the economy

Generally, there is a notable correlation between the perspectives of the business community and the wider population. There is a strong understanding that what is good for one is good for the other.

Community and business development cannot be addressed separately as discrete elements

5. RECOMMENDATIONS

5.1 LABOUR FORCE NEEDS

1) Housing

- Adopt and implement KDO Housing Strategy (*KDO Housing Strategy, Across The River Consulting, 2011*)

2) Recreation

While multiple governments, NGOs, community groups and individuals play roles in community recreation services, the City of Dawson provides leadership.

- Relay results of survey to City of Dawson Council, Recreation Board and senior management including:
 - Importance of quality and variety of recreation opportunities in attracting and retaining residents as a key part of community economic development
 - Full spectrum of recreation activities and services required
- Encourage City of Dawson to:
 - Lead a comprehensive Klondike recreation demand survey
 - Undertake a full gap analysis of infrastructure, facilities and services
 - Develop a community-wide recreation strategy to coordinate and support delivery that includes partner governments, NGOs, community groups and individuals as appropriate

3) Employment Tenure

The Klondike experiences an annual boom-and-bust cycle, being a full-employment community during the summer season followed by high unemployment rates in the winter. The inability to offer stable full-time permanent employment decreases recruitment and retention rates.

- Economic development strategies should focus on sectors and initiatives that generate full-time year-round employment opportunities
- Develop and implement a business co-operation program that facilitates staff sharing between comparable positions and allows employees to access the stability and benefits of full-time permanent employment. The program should address both seasonal and part-time workers.

4) Community Marketing – Labour and Skills Attraction

Building the capacity of the community to recruit labour and skills from **outside** of the Klondike is critical.

- Publish the list of regular skills gaps and web links to employment opportunities on KDO and key community partner websites
- Develop and implement a community marketing strategy to attract labour and key skills that:
 - Targets people in the rest of Canada outside of Klondike
 - Builds awareness of Klondike employment opportunities and the identified priority skills gaps
 - Promotes the Klondike quality of life and community assets as identified by residents in the Klondike Household Survey, being the people, sense of community, wilderness location, art and culture and safety.

5.2 BUSINESS EXPENDITURE

5) Venture Development

Availability is the clear driver of outside business spending with price a distant second. Strategies should focus on developing local ventures that can supply key products and services identified as potentially feasible, such as local food, T-shirt printing and local arts and crafts.

a) Local Food

Conservation Klondike Society, a community partner group, intends to undertake a 'Community Food Survey and Market Expansion Strategy' during the summer of 2011 that will examine local food buying

attitudes and distribution practices in more detail. The objective is to increase local production and support community resilience.

- Refer further research on this sector to this summer 2011 project
- Engage with the society to support the project and partner to implement recommendations that will reduce household spending leakage and support the Klondike economy as appropriate

b) Local Arts and Crafts

Develop a market expansion strategy for local arts and crafts products.

- Conduct a community wide analysis of current supply and demand, in order to understand:
 - Baseline data on the current market and hurdles consumers and suppliers face in obtaining and supplying locally produced arts and crafts
 - Types of products consumers would like access to and price tolerance
 - Local artisans needs for an expanded market
 - Challenges that exist between artisans and distributors and ways to address them
 - Current regional demand for local arts and crafts versus the current available supply and the potential to increase supply if demand warrants
 - Potential new markets for local artisans
- Develop an appropriate distribution model to expand the local market, including, but not limited to:
 - Potential partners including the Dawson City Arts Society and Tr'ondek Hwech'in
 - Shipping local arts and crafts to the Fireweed Market in Whitehorse, or other venues outside Dawson
 - Proven case study distribution models employed in other communities to bridge gaps

c) T-Shirt Printing

- Publish and promote the concept to potential entrepreneurs and investors
- Assist entrepreneurs in undertaking necessary planning for a local T-shirt printing business as appropriate

6) Marketing

Marketing is needed to increase price transparency and availability in cases such as office supplies.

- Develop and implement a Klondike regional business-to-business e-commerce platform including price comparisons to outside sources, thereby increasing price transparency, competitiveness and awareness of local availability.

5.3 BUSINESS RETENTION AND EXPANSION

The largest constraint upon business and economic expansion is labour, which is addressed above.

7) Business Support Services

Current programs are not meeting support service needs. A list of businesses where expansion appears likely or key services are at risk has been developed in order to target future coherent support services.

- Business Counseling

Act as a visible and accessible local point-of-entry to direct potential clients to the existing North Yukon Business Advisor Outreach program and maximize participation. This service provides personal guidance in business planning, market research, marketing strategies, forecast profit and loss statements, cash flow requirements, business management and preparation of applications to commercial lenders and other funding agencies. Advice is given on sources of business financing and other services that meet the needs of the business.

- Business Training

Develop and implement a targeted business-training program of two to three hour workshops centred on, but not limited to:

- Succession planning and exit strategies
- Business strategy planning
- Information technology

8) Business Cooperation

- Implement the recommendation for a staff sharing program as above
- Implement the recommendation for a Klondike business-to-business e-commerce platform as above
- Develop and implement a community business-to-business cooperation program for:
 - Group purchasing
 - Equipment sharing
 - Work referral
- Develop and implement joint staff training programs

9) Access to Finance

- Undertake research into local investment capital pools as assigned in the KDO Strategic Plan
- Promote the existing North Yukon Business Advisor Outreach program as a portal for entry to sources of business financing in the region

10) Venture Development

Klondike business people and potential entrepreneurs will identify their own opportunities to change, expand, deliver new goods and services and reduce business expenditure leakage from the data in this report.

The list in Section 4.3 of products and services demanded but not supplied combined with the tables on Outside Spending and Feasible Local Supply in Appendix One represent a first-cut listing of potential venture opportunities. Some may not be feasible as stand-alone businesses and some may require unconventional social enterprise models such as co-operatives. Nonetheless, each represents potential to capture outside business spending and generate improved employment opportunities.

- Publish the list of venture opportunities on KDO and key community partner websites
- Develop and implement a community marketing strategy to attract businesspeople and investors that:
 - Targets people in the rest of Canada outside of Klondike
 - Builds awareness of Klondike venture opportunities
 - Promotes the Klondike community assets from the business perspective, being the people, sense of community, size, opportunities and wilderness.
- Develop KDO social enterprise venture selection criteria
- Apply venture selection criteria to select target enterprises for the social enterprise venture development process
- Undertake social enterprise venture development process as assigned in KDO Strategic Plan

6. ACTION PLAN

2011-12

- 1) Adopt and implement KDO Housing Strategy
- 2) Liaise with City of Dawson on recreation
- 3) Liaise with Conservation Klondike Society on 2011 Dawson Community Food and Market Expansion Strategy
- 4) Publish:
 - List of regular skills gaps and web links to employment opportunities
 - List of potential venture opportunities
 - Promotion of the concept of a local T-shirt printing business
- 5) Undertake research into local investment capital pools as assigned in the KDO Strategic Plan

2012-13

- 1) Develop a market expansion strategy for local arts and crafts products
- 2) Develop KDO social enterprise venture selection criteria
- 3) Apply venture selection criteria to select target enterprises for venture development process
- 4) Commence social enterprise venture development process as assigned in KDO Strategic Plan
- 5) Develop and implement a Klondike regional business-to-business e-commerce platform
- 6) Develop and implement community business-to-business cooperation programs
- 7) Develop and implement a targeted business-training program

2013-14

- 1) Develop community marketing strategy to attract labour, key skills, businesspeople and investors

2014-15

- 1) Implement community marketing strategy to attract

APPENDIX ONE – FULL DATA TABLES

Employment change (Last 2 years)	Decreased	Same	Increased
Full-time	3.8%	69.2%	17.3%
Part-time	0%	63.5%	15.4%
Seasonal	3.8%	71.2%	9.6%
Casual	0%	69.2%	11.5%

Employment expected (Next 2 years)	Decrease	Same	Increase
Full-time	1.9%	63.5%	21.2%
Part-time	0%	59.6%	19.2%
Seasonal	1.9%	65.4%	19.2%
Casual	1.9%	69.2%	13.5%

Labour difficulties	Proportion	Number of Employees
Skilled trades	66%	30
Unskilled labour	57%	15
Information technology	47%	2
Administration	47%	1
Sales	49%	6
Marketing	45%	1

Recruitment measures	
Word of mouth	32%
Klondike Outreach	23%
None	10%
Internet	9%
Foreign worker programs	5%
Trade magazine ads	5%
Newspaper ads	4%
Canada wide	1%
Family employees	1%
Employment agencies	1%
Outsourcing contracts	1%
Internal	1%
Yukon College	1%
Job fairs	1%
Training	1%

Employee retention issues	
Position not full-time	27%
Nature of work	17%
Wage competition	17%
Affordable housing	10%
Transient community	7%
Government wages	7%
EI competition	7%
Competitive skills	3%
Nature of town	3%
Mineral exploration	3%

Barriers to meeting demand	
Staff	30%
Regulations	16%
Freight costs	11%
Freight time	11%
Seasonality	11%
Funding	8%
Housing	5%
Floor space	5%
Insurance	3%

Outside spending	
Technology	10%
Groceries	9%
Office supplies	9%
Parts	7%
Equipment	7%
General inventory	5%
Travel	5%
Printing	4%
Furniture	3%
Equipment maintenance	3%
Building materials	3%
Tools	3%
Linens	3%
Gardening supplies	3%
Sewing supplies	3%
Insurance	2%
T-shirts	2%
Cleaning supplies	2%
Freight	1%
Accountant	2%
Personal care items	1%
IT/web services	1%
Tradespeople	1%
Education supplies	1%
Gaming supplies	1%
Artist fees	1%
Liners, geotech	1%
Electrical supplies	1%
Exhibits	1%
Videos	1%
Non-local arts and crafts	1%
WCB	1%
Gifts	1%
Environmental friendly	1%
Bulk oil	1%
Straw	1%
Fur and tanning	1%
Advertising	1%

Feasible local supply	
Office supplies	22%
T-shirt printing	9%
Local arts & crafts	9%
Building materials	9%
Local foods	9%
Wholesale foods	4%
Plumbers	4%
Electricians	4%
IT/web development	4%
Graphic design	4%
Tradespeople	4%
Tools	4%
Equipment	4%
Oil	4%
Technology	4%

Drivers of outside spending	
Not available locally	96.2%
Price	45.3%
Selection	39.6%
Quality	22.6%
Relationships with suppliers	20.8%
Convenience	7.5%
Not aware if available locally	5.7%
Other	9.4%

Sector growth proportions	
Mineral exploration	23%
Consumers	21%
Government	19%
Tourism	17%
Other	11%
Services	9%

Business expectations (Next 2 years)	Decrease	Same	Increase
Demand	0%	28.6%	71.4%
Sales	0%	30.6%	69.4%
Profit	0%	34.0%	66.0%

Business expansion reservations	
Staff needs	28.6%
Demand	19.0%
Personal reasons	14.3%
Retirement planning	14.3%
Funding	9.5%
Mining cycles	4.8%
Capacity	4.8%
Risk	4.8%

Business expansion constraints	
Staff needs	58.3%
Finance	43.8%
Suitable premises	25.0%
Regulations	22.9%
Market access	18.8%
Energy cost and reliability	14.6%
Freight	12.5%
Roads	6.3%
Warehousing	4.2%
Internet	4.2%

Business assistance agency use	
Yukon Economic Development	13.2%
City of Dawson	9.4%
Business advisory service	5.7%
Lending institutions	5.7%
Funding agencies	3.8%
E-commerce advisory service	1.9%
Private investors	1.9%
Chamber of Commerce	1.9%

Business support & training interest	Would use	Do use
Succession planning and exit strategies	39.6%	1.9%
Business strategy planning	39.6%	9.4%
Information technology	39.6%	9.4%
Marketing	34.0%	5.7%
Financial management	30.2%	13.2%
Developing new products and services	26.4%	7.5%
Problem solving and facilitation	22.6%	5.7%
Legal/regulatory requirements	22.6%	15.1%
Managing people	22.6%	3.8%
Time management	20.8%	1.9%
Property site selection	11.3%	0%

Service delivery preference	
2-3 hour workshops	58.3%
Newsletter	43.8%
Full day workshops	25.0%
Mentoring/coaching	22.9%
Conferences	18.8%
Energy cost and reliability	14.6%
Freight	12.5%
Roads	6.3%
Warehousing	4.2%
Internet	4.2%

Service time preference	
Morning	47.1%
Afternoon	41.2%
Evening	38.2%
Weekend	2.9%

Business co-operation interest	Could do	Do already
Joint training of staff	49.1%	9.4%
Learning activities	45.3%	5.7%
Staff sharing	39.6%	20.8%
Discussion groups	37.7%	13.2%
Co-operative marketing	35.8%	20.8%
Group purchasing	34.0%	3.8%
Equipment sharing	32.1%	7.5%
Joint tendering	22.6%	15.1%
Work referral	11.3%	56.6%

Assets of Klondike as a place to live and do business	
People	14%
Sense of community	13%
Small size of community	11%
Opportunities	7%
Wilderness	7%
Heritage	6%
Connectivity	6%
Lifestyle	4%
Quality of life	4%
Vibrancy	3%
Economy	3%
Children	3%
No competition	3%
Gold	2%
Safety	2%
Tourism	2%
Art and culture	2%
Events and activities	2%
Housing costs	1%
Health care	1%
Seasonal	1%
Mining	1%

Strengthen the economy and create more jobs	
Affordable housing	15%
Land development	9%
Government decentralization	9%
Increased population	6%
Less regulation	5%
Bridge	5%
Small business finance	5%
Recreation	5%
Reduce freight costs	5%
NGO funding	3%
Local manufacturing	3%
Local shopping	3%
Winter tourism	3%
Long-term thinking	2%
Fit big projects to local capacity	2%
Families	2%
Credit union	2%
Rural housing finance	2%
Whitehorse bus	2%
Affordable training	2%
More high-paying employment	2%
Community beautification	2%
Destination marketing	2%
Internet	2%
IT	2%
Business advisory services	2%
Energy production	2%
Tourism	2%
Attraction to workers	2%
School	2%

Changes to improve the area	
Affordable housing	16%
Recreation	13%
Land development	9%
Whitehorse bus	6%
School	4%
Bridge	4%
Internet/phone	3%
Clear tourism marketing	3%
Community beautification	3%
Regulations	3%
NGO support	3%
Seniors services	1%
Recruit people to area	1%
Young entrepreneurs	1%
Dump access	1%
Recycling	1%
Energy production	1%
Local discounts	1%
Reduce transience	1%
Vacant heritage buildings	1%
Airport shuttle	1%
Car rental	1%
In-town laundromat	1%
Indoor playground	1%
Tradespeople	1%
Business advisory services	1%
Decentralization	1%
Increased population	1%
Reduced freight	1%
Winter tourism	1%
Staff	1%
Energy production	1%
Food production	1%

APPENDIX TWO – SURVEY QUESTIONNAIRE

Part A: Business Details

- Q1 How many years has this business been operating? _____
- Q2 How many years have you been operating this business? _____
- Q3 What are the main products or services you provide? Please list up to 4 in order of importance.
- 1) _____
- 2) _____
- 3) _____
- 4) _____

Part B: Labour Force Needs

Q4 How many people are employed in this business (including owners)?

- Permanent full time _____
- Permanent part time _____
- Seasonal _____
- Casual _____

Q5 How did the number of staff change, if at all, in the last 2 years?

	Full time	Part time	Seasonal	Casual
Decreased	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stayed the same	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q6 How do you expect the number of staff to change, if at all, over the next 2 years?

	Full time	Part time	Seasonal	Casual
Decrease	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stay the same	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q7 Do you have difficulty recruiting any of the following employees and how many?

- Skilled trades (specify) _____
- Unskilled labour (specify) _____
- Information technology _____ Sales _____
- Administration _____ Marketing _____
- Others (specify) _____

Q7 b) What measures have you taken to recruit employees? _____

Q8 a) Does your business have difficulty retaining employees? Yes No

Q8 b) What are the reasons for this difficulty? _____

Part C: Business Expenditure

Q9 a) Do you receive demand for products or services you cannot supply? Yes No

Q9 b) If 'yes', which products or services? _____

Q10 a) Do you experience specific barriers to meeting local demand? Yes No

Q10 b) If 'yes', please indicate which barriers? _____

Q11 Do you deliberately search out Klondike suppliers? Yes No

Q12 What proportion of your average annual expenses is spent outside of the Klondike (estimate)?

Below 1% 1-5% 5-10% 10-20% 20-40% 40-60% 60-80% Over 80%

Q13 What amount of your average annual expenses is spent outside of the Klondike (estimate)?

Below 1000 1-5000 5-20000 20-50000 50-100000 100-250000 250-500000 Over 500000

Q14 Please indicate up to ten expenditures outside Klondike in the last year, and amount (if known):

- 1) _____ Amount _____ \$
- 2) _____ Amount _____ \$
- 3) _____ Amount _____ \$
- 4) _____ Amount _____ \$
- 5) _____ Amount _____ \$
- 6) _____ Amount _____ \$
- 7) _____ Amount _____ \$
- 8) _____ Amount _____ \$
- 9) _____ Amount _____ \$
- 10) _____ Amount _____ \$

Q15 What business inputs, including raw materials and services, that you currently purchase from outside, do you think could be feasibly supplied locally?

Q16 Are you prepared to pay a premium for a Klondike supplier? Yes No

If so, how much? _____ %

Q17 Why do you spend money on products/services outside of the Klondike?

- Not aware if available locally
- Not available locally
- Selection
- Convenience
- Price
- Relationships with other suppliers
- Quality
- Other (specify) _____

Part D: Business Expansion

Q18 Has your business expanded in the last 2 years? Yes No
(If 'no', go to Q20)

Q19 To what extent has your expansion been driven by demand from the following sectors:

	None	Small	Medium	Large
Government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mineral Exploration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tourism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consumers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q20 During the next 2 years, does your company expect?

	Decrease	Increase	No significant change
Demand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Profit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q21 a) Do you WANT your company to expand within the next 2 years? Yes No Not sure

Q21 b) Are you CONSIDERING expanding within the next 2 years? Yes No Not sure
(If 'No', go to Q22)

If you answered 'Not sure' to either above, what reservations do you have that make you feel that way?

Q21 c) What is the nature of this expansion?

An increase in floor space	<input type="checkbox"/>	Increase in staff	<input type="checkbox"/>
Additional product lines	<input type="checkbox"/>	Additional services for customers	<input type="checkbox"/>
Equipment and technology	<input type="checkbox"/>	Process improvements	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>		

Q22 What, if any, are the major constraints on your expansion? (Please tick which are applicable)

Finance	<input type="checkbox"/>
Lack of suitable premises	<input type="checkbox"/>
Warehousing	<input type="checkbox"/>
Transport/freight	<input type="checkbox"/>
Local regulations eg zoning	<input type="checkbox"/>
Roads	<input type="checkbox"/>
Energy costs and/or reliability	<input type="checkbox"/>
Lack of staff	<input type="checkbox"/>
Identifying and accessing new markets	<input type="checkbox"/>
Internet access	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>

Part E: Business Retention

Q23 a) If you relocated the business to the Klondike, please indicate if you moved from:

Another location in this area	<input type="checkbox"/>
Elsewhere in Yukon	<input type="checkbox"/>
Elsewhere in Canada	<input type="checkbox"/>
Outside Canada	<input type="checkbox"/>

Q23 b) Why did you relocate? _____

Q24 a) Are you considering changing the location of your business? Yes No Not sure
(if 'No', go to Q25)

Q24 b) Where are you considering relocating to? Elsewhere in the Klondike
Elsewhere in Yukon
Elsewhere in Canada
Outside Canada

Q24 c) Please give reasons for considering relocation _____

Q25 a) Do you expect to exit your business in the next five years? Yes No Not sure
(If 'No', go to Q26)

Q25 b) Do you have a succession plan and/or exit strategy in place? Yes No Not sure

Q25 c) Do you consider any part of your business to be a vital service? Yes No Not sure

Q25 d) Do you have direct local competition for this vital service? Yes No Not sure

Part F: Business Support Services

Q26 a) In the past year, have you approached anybody in government or business development organizations to discuss your expansion/relocation/succession plans? Yes No

Q26 b) If 'yes', which have you approached?

Yukon Economic Development City of Dawson
Chamber of Commerce Business Advisory Service
E-commerce Advisory Service Other (please specify) _____

Q27 Would you be interested in being contacted by an advisor to discuss your expansion/relocation/succession plans? Yes No

Q28 What is your interest in business support services and training?

	Do Use	Would Use	Would Not Use
Business strategy planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Succession planning and exit strategies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Problem solving and facilitation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property site selection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Developing new products and services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal/regulatory requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managing people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Time management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q29 Are you interested in receiving information/training on any of the above? Yes No

Q30 If yes, how would you like the information delivered?

Business breakfasts 2-3 hour workshops Full day workshops
Conferences Networking events Field days
Mentoring/coaching Newsletter Other (please specify) _____

Q31 What is your favoured timing for information delivery?

Morning Afternoon Evening

Q32 Do you or could you work in a co-operative way with other businesses? Yes No

	Do	Could	Feasibility Comment
Staff sharing	<input type="checkbox"/>	<input type="checkbox"/>	_____
Joint training of staff	<input type="checkbox"/>	<input type="checkbox"/>	_____
Group purchasing of inputs	<input type="checkbox"/>	<input type="checkbox"/>	_____
Buying and/or sharing equipment	<input type="checkbox"/>	<input type="checkbox"/>	_____
Joint tendering	<input type="checkbox"/>	<input type="checkbox"/>	_____
Referral of work	<input type="checkbox"/>	<input type="checkbox"/>	_____
Co-operative marketing	<input type="checkbox"/>	<input type="checkbox"/>	_____
Sharing distribution services	<input type="checkbox"/>	<input type="checkbox"/>	_____
Learning activities	<input type="checkbox"/>	<input type="checkbox"/>	_____
Discussion groups	<input type="checkbox"/>	<input type="checkbox"/>	_____
Other (specify)	<input type="checkbox"/>	<input type="checkbox"/>	_____

Q33 Would you use an intra-community exchange to find local suppliers or customers? Yes No

Business Contact Details (Optional)

Name: _____
 Position: _____
 Business name: _____
 Postal address: _____
 Telephone: _____
 Fax: _____
 Email: _____

Supplementary Questions

Q34 What do you see as some of the main assets of Dawson as a place to live and own a business?

Q35 What can be done to make the local economy stronger and to create more jobs?

Q36 What main changes would you like to see made to improve this area?

APPENDIX THREE – COMMUNICATIONS MATERIALS

LETTER TO BUSINESSES

Please note that this letter was prepared but not used due to time constraints. Project logistics required all the 2011 surveys to be compressed in a short time-span subsequent to the launch and community engagement strategies for all the surveys and the KDO launch were combined.

Dear Business Owner

Business Retention and Development Survey

The economic wellbeing of our community is based on our existing businesses and Enterprise Retention and Development is a key component of the Klondike Development Organization Strategic Plan. In recognition of this, positive action is being taken to identify and meet the needs of these businesses. I am writing to introduce you to the Business Retention and Development Survey that is being undertaken in the Klondike. This survey is funded by a partnership of City of Dawson and Yukon Government Regional Economic Development Branch.

The aims of the survey are to:

- Identify key issues and opportunities related to business retention and development including:
 - Succession and other business factors that threaten the current or future viability of businesses
 - Opportunities and impacts associated with businesses in the region where growth appears likely
- Identify businesses interested in advisory services related to expansion and succession
- Business support service and labour force needs
- Regional business expenditure leakages: who, how, what, why, when and where

The intended outcomes are feasible actions to expand business and employment opportunities such as:

- An early warning system to identify problems before they threaten key businesses and services
- Coherent services and the resources to retain and grow strategic businesses and services
- A Klondike business-to-business commerce platform that reduces business spending leakage

The success of the project depends on as many businesses as possible taking part in the survey. Your co-operation in this regard would be most appreciated and a copy of the survey is enclosed for you. Individual comments and plans will be treated in total confidence, but the aggregated information will be of great value in solving local problems, planning business support services and growing the marketplace for business in the Klondike.

A research assistant will conduct the survey by in-person interview at a time and place of your convenience and will contact you to arrange an appointment. If you would prefer to participate by an alternative method, our research assistant can arrange this with you. If you have any questions please contact Mark Wickham of Across The River Consulting on 867-993-3416 for assistance.

A report covering the findings and recommendations from the survey will be presented to a community meeting at the conclusion of the project. An Executive Summary of the report will be made available to all respondents. Once again, we believe it is important to achieve a very high participation rate in the survey if the results are to be of value to our community. We hope you will spare the time to assist us.

Yours sincerely

Gary Parker
President

PRESS RELEASE

Please note that this draft release was prepared but not used due to time constraints. Project logistics required all the 2011 surveys to be compressed in a short time-span subsequent to the launch and community engagement strategies for all the surveys and the KDO launch were combined.

New project to boost enterprise in the Klondike

Gary Parker is encouraging businesses in the Klondike to get behind a new Klondike Development Organization project that will help grow business and improve the economy. Parker says that the project is essential to retaining and expanding a broad base of businesses and services in the region and to getting government, the business community, non-governmental organizations and residents working together.

"The first stage of the Enterprise Retention and Development strategy is a survey of local business owners which will get underway in February. The project recognizes that the existing businesses in any town are its most valuable economic and employment asset."

The project manager, Mark Wickham, stressed this point recently. "Research has shown that trying to get firms from elsewhere to relocate to Dawson has a very low chance of success but the loss of even one existing business and its services can have a significant negative effect in a small community. More than two-thirds of investment in regions comes from existing business. Through the Business Retention and Development survey we are aiming to identify key issues that threaten the viability of businesses, opportunities where growth appears likely and measure economic leakage through spending outside of Dawson."

"A large sample group of firms in the Klondike will receive a letter and a survey covering all the relevant topics. A local research assistant will conduct the confidential in-person interviews"

Parker urged business owners to take the opportunity to air their views and to contribute to the pool of information about the local business scene. "Individual comments and plans will be treated in total confidence, but the aggregated information will be of great value in solving local problems, planning business support services and growing the marketplace for business in the Klondike."

"This business project is designed to help you", says Parker, "so please don't ignore or dismiss it. The community will appreciate your co-operation and participation. Most importantly, we will put the feedback from businesses to practical use."

Wickham said the intended outcomes are feasible actions to expand business and employment opportunities including the planning of coherent business support services and the resources to retain and grow strategic businesses and services and reduced business spending leakage.

The survey is funded by City of Dawson and Yukon Government Regional Economic Development and will be conducted by Across The River Consulting.

About Klondike Development Organization:

Klondike Development Organization is a partnership of City of Dawson, Dawson City Chamber of Commerce, Klondike Visitors Association and Dawson City Arts Society. It envisions a resilient Klondike where highly engaged citizens, networks and organizations collaborate to build a sustainable economy.

It focuses multi-stakeholder collaboration on diversifying and strengthening the local economic base through pro-active strategies and services aimed at retaining and growing a healthy business base; increasing access to equity investment capital; strengthening economic and social sectors critical to the future of the Klondike; and addressing strategic gaps in services.

Enquiries to Mark Wickham, Project Manager, on 1-867-993-3416

Issued on