

**Exit Opportunities Final Project Report**

**(Renamed Venture Connect)**

**March 2012**

**For: Island Coastal Economic Trust**

**By: Lori Camire and Evelyn Clark**

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## Objectives

The objectives of this pilot project included:

- Developing a regional service that all Island Coast Community Futures agencies will promote and support aiming for long-term adoption of this service throughout BC
- Developing an on-line web repository of businesses for sale with the ability to match business sellers and inbound entrepreneurial investors. This repository will include a database of Island Coast businesses, value-added business services, and links to regional information for inbound investors
- Assisting clients interested in buying businesses to participate in the web portal database through an intensive marketing campaign that demonstrates the benefit of joining
- Training of clients in entrepreneurship and small business supports
- Referral of accredited clients to small business loans and assistance in funding the purchase of an existing rural business

## Scope of activities undertaken to achieve objectives above:

For the most part the Exit Opportunities Committee was able to carry out all the activities identified under the scope of activities outlined in the original proposal. Variances in proposal deliverables are discussed in the "Lessons Learned" section of this report.

### 1) Island Coastal Community Futures Buy-in

Deliverables: All eight Community Futures organizations understand their roles as delivery agents and agree to deliver project for one year. Project Charter developed and signed by all parties.

- Involvement with this project required considerable commitment in time and energy
- Six of eight Island Coastal CF's agreed to participate. (Powell River, Sunshine Coast, Mount Waddington, Alberni-Clayoquot, Central Island, Cowichan)
- Two offices not opting in provide support to enable service coverage to their area
- Commitment from CF's has been outstanding financially, in time, in thought, providing expertise, support and synergy
- Commitment is decided for term longer than one year project timeline
- Determined a legal entity was needed to ensure all agencies have equal opportunity for in and output
- Obtained legal and accounting guidance regarding development of subsidiary
- More than a Project Charter, commitment was made to establish a legal subsidiary thus Exit Opportunity Project changes to Venture Connect Inc.
- Each office has 2 representatives on the Venture Connect Board
- Board meets in person or via video conference monthly
- Project staff communicate frequently through month and provide written reports monthly
- In November it was determined service delivery to region required dedicated human resources throughout area
- Through open public process eight contract Business Advisors hired
- Policy Manual created

## **2) Hiring Project Coordinator**

Deliverables: Coordinator hired and ready to develop project for one year.

- Through open, public process a full time Project Coordinator was hired in March, 2011
- Project Coordinator remains on the job and is doing excellent work

## **3) Train the Trainer**

Deliverables: Self-Employment Coordinators, EAS providers and Community Futures Business Analysts trained on delivering project.

- Self- Employment and EAS providers in all areas were provided with an overview of Venture Connect. Interest was shown, however with imminent changes to the Self-Employment program we were met with scepticism
- Presentations and information updates have been provided continuously to Community Futures personnel
- Activity warranted the hiring of an Administrative Assistant and dedicated Business Advisor
- Through open public process full time Administrative Assistant and Business Advisor hired in July
- Project Coordinator, Administrative Assistant and Business Advisor work in Alberni-Clayoquot office
- Venture Connect staff received training in accounting and bookkeeping; attended a succession planning workshop in Vancouver; and business transition training through the Business Development Bank
- Promotional materials and templates created to support all involved with Venture Connect in their communication or work with clients
- In person training provided to all Venture Connect personnel in December
- Video conference training opportunities offered to Venture Connect / Community Futures staff and board members to update them about Venture Connect services and how best to respond to questions
- Teleconference training provided to 8 Business Advisors to familiarize them with processes and standards
- In house training of Business Advisors and Community Futures staff in February

## **4) Community Outreach**

Deliverables: Island Coast small business owners, service providers, Chambers of Commerce, First Nations and government agencies informed of the project and supplied with marketing material.

Outreach has been considerable and has two overall goals:

1. To inform, to let potential clients or agencies who communicate with common clients know of services
2. To establish collaborative partnerships

<b>Category 1</b> <b>To inform, to let potential clients or agencies know of services</b>
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- **June**

Western Economic Diversification (8 participants)

Community Futures outside current coverage (2 offices)

- **July**

Community Futures BC Board of Directors (14 participants)  
 EAS providers in Port Alberni (3 participants)  
 EAS providers Sechelt (5 participants)

Community Futures Sunshine Coast Board presentation (16 participants)  
 City of Port Alberni (8 participants)

- **August**

BC Business Network (1)  
 Provincial Nominee Program (1)  
 EAS providers Parksville (6 participants)  
 EAS providers Nanaimo (10 participants)  
 Community Futures Central Island (5 participants)  
 Tourism Central Island (3 participants)  
 EAS Comox Valley (5 participants)

EAS Cowichan Valley (3 participants)  
 Community Futures Cowichan staff (3 participants)  
 Skills Trade Employment Program (2 participants)  
 EAS North Island (4 participants)  
 Provincial partners Victoria (6 participants)

- **September**

Western Economic Diversification updated on project  
 Nanaimo Immigration Services – Welcome Centre - (7 participants)  
 Powell River Chamber of Commerce – (39 participants)

Powell River Rotary Club – (23 participants)  
 Powell River Career Link EAS – (9 participants)  
 Community Futures Mount Waddington staff – (6 participants)  
 Community Futures of BC managers (31)

- **October**

Venture Connect Board meeting - (16 participants)  
 VICEDA presentation – Nanaimo - (15 participants)  
 VIEA presentation – Generation Exit (36 participants)  
 VIEA presentation – Venture Connect Services (22 participants)  
 Sunshine Coast Celebration of Success – (46 participants)

Provincial Nominee Program (1)  
 Construction Association (1)  
 Promoted Venture Connect through Island and Coastal print media and Open Houses for Small Business week  
 Community Futures Alberni Clayoquot – Open House – (28 participants)  
 Community Futures Alberni Clayoquot – Board of Directors – (12 participants)

- **November**  
British Columbia Construction  
Association Project Developer (3  
participants)  
Port Alberni real estate Company – (6  
participants)

Mid-Island real estate Company – (6  
participants)  
Mid-Island Commercial real estate  
advisor – (8 participants)  
VIEA and commercial broker – (6  
participants and 4 participants)

- **December**  
Opportunities BC meeting (2 participants)

- **January**  
Mid-Island Commercial real estate and  
wealth management organization– (4

participants)  
BizPal meeting – (3 participants)

- **February**  
Commercial real estate Company – (8  
participants)  
Comox Valley Trade Show (spoke to 65

people)  
Chamber of Commerce Ucluelet – (54  
participants)

- **March**  
Nanaimo Economic Development (9  
participants)  
BC Small Business Round Table (10

participants)  
Alberni Valley Expo (74 participants)

<b>Category 2</b> <b>Collaborative Partnerships</b>
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**June**  
Western Economic Diversification  
Community Futures outside current coverage

**July**  
Community Futures BC Board of Directors

**August**  
BC Business Network  
Small Business BC  
Provincial Nominee Program  
Skills Trade Employment Program  
Provincial partners Victoria

**September**  
Nanaimo Immigration Services – Welcome Centre  
Community Futures of BC managers

**October**  
VICEDA presentation – Nanaimo  
VIEA - Nanaimo  
Provincial Nominee Program  
Construction Association

**November**

British Columbia Construction Association Project Developer  
Mid-Island Commercial Real Estate advisor  
VIEA and Commercial Broker

**December**

Opportunities BC

**January**

BizPal  
Provincial Nominee Program – Vancouver  
Mid-Island Commercial Real Estate  
Wealth Management Organization  
MNP (Accounting Firm)

**February**

Young Professionals of Nanaimo  
Welcoming Communities organizations

**March**

Nanaimo Economic Development  
Construction Association of BC

**5) On-Line Training for Participants**

Deliverables: Island Coast participants share in on-line entrepreneurial training (webinars) delivered from one source as agreed to by all Community Futures organizations.

- Venture Connect has diverted to cost-effective impactful video presentations which need to be appealing and short in order to keep watchers engaged and entertained at the same time
- Venture Connect staff reviewed potential videographer's materials and interviewed two videographers that came highly recommended
- In early December Venture Connect staff met with successCo productions Inc. They are in the early stages of and already involved in the creation of a 13 episode small business development series. Attaching ourselves at that time provided Venture Connect options to be included in some of the episodes discussing transition planning; have a role in the development of the product and access to all thirteen episodes plus specific episodes chosen by VC staff. All of these videos will be uploaded to the Venture Connect site for use as training material.
- An agreement between Venture Connect and successCo productions Inc. was signed in late December
- The change in direction caused a delay however at least five videos have been created by the end of this fiscal year
- In addition to the above numerous recent articles, a do-it-yourself succession planner and other existing on-line business supports will be more actively utilized such as Small Business BC webinars; Small Business Solver and links to existing government sites that support small business such as BizPal, Opportunities BC and Provincial Nominee Program
- successCo productions Inc. launched five business development videos to [www.ventureconnect.ca](http://www.ventureconnect.ca) in March.

## **6) Design and Development of Web Portal**

Deliverables: The design work for the entire web portal including the database requirements, the layouts, graphic design, the content of the services, links, and information on both the public and private sides of the portal, branding images, etc.

- Through open public process retained the services to design and develop a web portal
- Web developer actively involved in project for at least 6 months
- Logo, brand and common images designed, chosen or approved
- Web-site launched in late September and was well-received for the most part
- Venture Connect staff started receiving inquiries and clients from the first day of operation
- Venture Connect wanted to display a high level of professionalism and ease-of-use so had to disable the "business-for-sale" page and the matching function until these pages were fully designed and ready for public use
- After extensive consultation with the web-designer both functionalities were designed, developed and launched in early November
- Listing parameters continue to change and improve
- Venture Connect staff are actively pursuing listing options working with realtors
- Currently there are 23 businesses listed on the site
- Unique on-line buyer – seller matching site is created; focus is youth interested in entrepreneurship but may not know the kind of business they may have a natural affinity for
- Web-site survey launched and assessed in February (see Appendix D)
- Complete web-site review done and planning for web-site revisions launched
- Business-for-sale accreditation process launched in March.

## **7) Design and Development of Marketing Materials**

Deliverables: Design of hard-copy material, marketing plan and incorporation in web-portal

- Considerable attention to detail is given all printed material for look and content
- Logo for Venture Connect and Venture Connect Inc and pantone array created

Marketing materials developed:

- Three types of rack cards (Self Employment Program, Buyer and Seller focussed)
- Poster for Self Employment Program for the attraction of unemployed potential buyers
- Venture Connect information sheet
- Threefold information brochures
- Venture Connect information folders
- Generic PowerPoint templates
- Numerous media alerts and announcements distributed
- Business cards for staff and board members
- Development and implementation of a dedicated toll-free telephone line
- Venture Connect Service structures and pricing list
- Venture Connect backdrop for trade show booths
- Mail Drops
- Sample Exit Essentials



- Sample Venture Connect Transition Plan

### 8) Implementation of Exit Opportunities Program Island Coast-wide

Deliverables: A fully functioning project attracting buyers and sellers, incorporating the project into the Self Employment project and resulting in buy-sell “matching”.

- Creation of Venture Connect with dedicated human resources goes a long way to ensuring a fully functioning project
- Currently there are 10 dedicated human resources; a board of 12 and a project manager heavily involved
- All aspects of program delivery are considered for consistency, quality and usefulness
- Training and templates are created with considerable thought and delivered systematically enabling similar service delivery in all communities
- Quality standards are established, communicated and monitored
- The web-site enables traditional matching of potential buyers to business opportunities
- An enhanced matching site is developed with a focus to youth to assist them to match a potential business opportunity with their personal skills/attributes
- This option has been complex and challenging; scheduled to “go live” in December it was delayed as more research and testing was needed
- Matching function went live at the end of January

### 9) Create an ICCF "Business for Sale Certification Standard"

Deliverables: In consultation with ISO professional - Design and implementation of specific standards that label businesses as “sale ready”.

- Idea of “certification” has brought serious interest from local Real Estate professionals
- Venture Connect attended planned meetings with commercial real estate professionals to begin the task of developing a “certification” template for business listings
- Exploration of highlighting businesses that meet Provincial Nominee Program criteria
- Certification Standards created and launched end of March.

### 10) Monitor and Gather Project Statistics

Indicator	To Date (Mar 2012)	Target
Number of Buyers Recruited	93	183
Number of Business Owners Recruited	114	80
Number of Potential Matches	25	87
Number of Participants Purchasing Businesses	11	52
Survey of Participants	500+	263
Estimated Jobs saved and created	30	119
Estimated Businesses Retained	11	52
Project Man Months	43.4	60

\* Deliverables downward adjusted from originals due to only 6 offices participating (6/8ths).

## Accomplishments:

Deliverables for Project	Activities	Percent Complete	Comments
Train the Trainer	Training to CF and VC staff by video conference	100%	Six formal training opportunities for staff and CF personnel plus over 20 face-face training opportunities
Community Outreach	600+ people 50 non - profits 20 private businesses	100%	Massive interest shown in transition planning and exit staging for businesses from both buyers and sellers
On-Line Training for Participants	Numerous recent articles, a do-it-yourself succession planner and links to both articles and web-sites	100%	Five short video complete and uploaded to the web-site as well as numerous articles regarding transition planning and buying/selling a business
Design and Development of Web Portal	Logo, brand and common images designed plus "business-for-sale" page and the matching function. Survey launched and analyzed.	100%	Review of the portal has led to re-design to improve navigation and professionalism
Design and Development of Marketing Materials	Brand and logo, printed material including rack cards, posters, information sheets. As well generic PowerPoint and trade show scrolls.	100%	Media roll out in the fall with ads and press releases. Mail drops in Courtenay, Campbell River and Powell River

## Challenges Faced

### Island Coastal Community Futures Buy-in

The original objective was to have all Island Coastal Community Futures organization "buy-in" to the project and offer \$25,000 in funding from each office. Although all offices were in favour of the project, the reality of independent autonomous organizations working

together is that every office was in a different place both financially and in their interest in collaborating as a unit. After much discussion, both with representatives of the Community Futures at the project table and back to their home-boards, it was decided that each organisation would have to make the decision to participate independently and report back to the project Board. Ultimately 6 or the 8 CF organizations decided to support the project with both money and in-kind time commitments.

### **Hiring Project Coordinator**

Few challenges were experienced in this section of the activities.

### **Train the Trainer**

Transferring knowledge about the concept of using the Self-Employment Program to gather potential business buyers and make a buy-sell match was hard to articulate. Because the SEP Program was developed on the premise of starting rather than buying a business, project staff found some resistance to having SEP staff both promote and champion this cause. Combine that with the uncertain future for those staff and a program in flux contributed to a generally dismal uptake in this piece of training.

Designing and delivering a new idea to a geographically far-flung audience has many challenges. To mediate some of those challenges, project staff used video conferencing to meeting with many CF staff members initially. Understanding that new concepts are often understood after repeated exposure lead project staff to using summer months to actually visit all CF partner offices. This used up much of the travel budget and time that could have been used doing public outreach.

As well, championing a relatively new idea requires that project staff first become "experts" where there is little expertise available. That requires much research and development of processes and procedures prior to ever starting a training regime. It was much like building the bridge as one walked upon it. This required innovative thinking and flexibility with some missteps along the way. However, in consultation with supportive experts with some experience, the project managed to offer a number of training opportunities to staff all over the Vancouver Island Sunshine Coast region.

### **Community Outreach**

Few challenges were experienced in this section of the activities save one. When the concept started to gain traction, demand for presentations, workshops and participation in community activities became somewhat overwhelming for project staff. Toward the end of the project, staff could have spent almost their entire working time doing presentations which was obviously untenable and very expensive in terms of travel expenses, personnel work time and loss of focus on other aspects of the project. After January 2012, project staff was turning down more than accepting speaking opportunities.

### **On-Line Training for Participants**

Initially it was determined that training on-line would involve webinars, do-it-yourself templates and articles with a focus on business transition and buying and selling.

Much time was spent trying to develop appropriate webinar subject matter and delivery models that were engaging and easy to manage in an on-going manner. Webinars were determined not to be an option due to initial development and ongoing delivery costs; lack

of planning and offering efficiencies plus adding a technological component which is difficult for many potential clients. In summer 2011, project staff determined that a more cost-effective engaging method was development of short impactful videos was a better method of delivering on-line training.

Taking a section from the "building a bridge as we walk on it" – creation of on-line resources was a challenge in that not much information can be found about business transition. The concept is new so research was a challenge. As well, on-line resources get stale quickly. So an initial push to supply the web site with articles made excellent sense. However, in order to continue engaging repeat visitors it is imperative to create fresh material. This challenge continues.

### **Design and Development of Web Portal**

Project staff went to RFP to find the web portal designer that was considered skilled enough to present an excellent web portal as well as creative enough to work with a new concept. Project staff was lucky enough to pick a company (Array Studios, Nanaimo, BC) that resonated well with staff and the task at hand. The challenges lay in shifting the project from the concept phase to an actual functioning web portal.

Initially many meetings were held to focus intent and develop the brand and "look" of the portal as well as to find content to fill the many pages required. Once a brand was developed, and the Steering Committee consulted, the project name changed from Exit Opportunities to Venture Connect.

Another important challenge was that web sites age very quickly. Although it was understood that the portal would require maintenance going forward, it came as a surprise to project staff that it was necessary to hold a web portal review a mere 6 months after launching.

### **Design and Development of Marketing Materials**

Marketing materials were developed in concert with the branding initiative with Array Studios in order to coordinate the look of the web portal and marketing materials. Few challenges were experienced in this section of the activities.

### **Create an ICCF "Business for Sale Certification Standard"**

There are many critical elements to consider when creating a business-for-sale certification standard. Some of the issues are: tax implications, banking relationships, business and investment advice, valuation, legal ramifications, insurance changes, accounting and financing.

It was recognized early on in the process that project staff would need to consult with professionals who understood the business sale climate better than project staff. Happily the concept of transition planning for small businesses had been considered in the commercial real estate sector and little was being done to assist business owners (usually with a price tag of less than one million dollars) to develop transition plans. As a result, commercial real estate professionals were happy to work with project staff to develop a three level certification process that could be used on the web portal. After a great deal of discussion the certifications were developed, adopted and uploaded to the web site.

## **Monitor and Gather Project Statistics**

It became clear early on that the project needed to be distributed more broadly in the community in order for community members and business owners to both understand the services being offered and become willing to support such efforts. A number of things played into the project not reaching its targets. They are discussed in the "Lessons Learned" area below.

## **Lessons Learned**

Many of the biggest lessons have been peppered throughout this document but it is important to highlight a few lessons that assist us in continuing to be the innovative, nimble organization that was conceived in late 2010.

### **Island Coastal Community Futures Buy-in**

In order to move forward it was important to get buy-in from eight CF partners. That buy-in was indicated by individual Community Futures organization's contribution of \$25,000. Each CF is independent and autonomous, governed by their own Boards of Directors. Each CF is also in individual financial situations. Although all CFs were interested and supportive of this project, there were important reasons why they would not buy-in. Specifically, the CFs were under financial difficulties, did not think the project could benefit their CF directly or had Boards that were uninterested in the project and therefore did not support it at the Board level.

That said, six of the eight did and continue to support Venture Connect and are committed to assisting the venture to sustainability.

### **Community Outreach**

As stated above project staff has been surprised by the incredible interest from so many sources that we scramble to accommodate and meet on a regular basis. However, it is not thought that more outreach should be planned at this time. Rather, it would be more important to take the funds that are earmarked for outreach, have a more focussed approach and leverage the outreach dollars in a more strategic fashion.

### **On-Line Training for Participants**

**Webinars:** Early in this process project staff teamed up with a marketing firm with the intent of delivering on-line webinars for training entrepreneurs. The idea of delivering webinars was foremost in the team's mind. After months of trying to make the concept fit it became understood that even if webinars were the right vehicle, which they weren't, that sustaining the outlay of delivering on-line "live" training was massively expensive and unsustainable in the long run.

In mid-July, project staff decided to change direction and begin the process of creating short, engaging training video that could be developed at lower expense and would be more palatable to on-line consumers. This added significant delay to this aspect of the project and more expense than was initially anticipated.

**Target Market for training:** The team came at this project concentrating on small business sellers and developing services for that target market. Surprisingly, Venture Connect has

garnered a great deal of interest from buyers, many of them immigrants to British Columbia. We believe this is an untapped market and have recently turned some attention on how to service that market and assist in Venture Connect sustainably at the same time.

### **Design and Development of Web Portal**

In last month's web-site survey Venture Connect got an excellent rating for the site and the resources offered. However it was clear that on-going attention to the web-site and constant updating of content would garner return visitors, increase traffic on the site and develop long-term lucrative relationships with business owners.

### **Create an ICCF "Business for Sale Certification Standard"**

It was acknowledged early on that project staff needed to consult with professionals with more experience than Venture Connect staff. But in order to start the consultation process it was important to understand what questions we would ask and how project staff envisioned the development of a certification standard.

We learned to manage expectations by getting our processes right and in place before we deliver to highly professional partners such as commercial real estate companies.

To deliver a better product, this aspect of the project should have begun much sooner in the project timeline in order to have the standards ready for launch to the web portal.

### **Monitor and Gather Project Statistics**

One of the major disappointments for this project is the inability to meet targets. Of course with a multi-faceted project such as this statistics – from the outset – need to be realistic and attainable. However, most of these were not reached. With that in mind, many lessons were learned. They are:

- Staff was overly optimistic about the impact this project would have in rural communities and the buy in that would be demonstrated by rural business people.
- The concept was hard to grasp in some circles and there was confusion about the roles of project staff. In transition planning – many thought Venture Connect was trying to become a business broker which was not the case. Without having a staff person available to talk to – town gossip – the project was dismissed out of hand. Messaging about the products we offered to business people needed to be developed sooner and with more clarity.
- When Business Advisors were deployed into the field and were able to talk one-on-one with clients much greater understanding was achieved.
- For the most part, the concept was well-received when explained properly. However, the continued economic stresses have prompted business owners to consider staying in their business until they have a turn-around that can be seen on their financial statements. Until then there seems to be no point (from the business owner's point of view) in selling as their business is quite devalued at this time.
- We have been surprised by the volume of buyers that have approached us. Supporting the above statement, they are frequently immigrants looking to buy into

a BC business. There are complications to the immigration and PNP program that make it hard for VC Business Advisors to "make a match".

- Each of the deliverables flow from one to another. For example: increased sellers and buyer leads to increased matches which leads to jobs retained. Without success in the first step, the last step is impacted negatively. This project's success may have been better measured with less related item and would better reflect the positive aspects of the project such as community support, engagement and capacity building.
- New concepts take time and move slowly in rural communities. This project will be successful, but will take more time to become so.

### **Sustainability of the project**

As with all start-ups and new ideas there is tension between offering a genuinely required service and having clients recognize the value of those services and be willing to open their wallets to pay for them. It was concluded that Venture Connect was overly optimistic in forecasting sustainability in the first year of operation.

In order to become sustainable it is important to have many things right including:

- Markets
- People to deliver those services
- Distribution of Talent

### Markets

Survey from 2010 indicate some 6,672 businesses in the region are ready to either close or transition and thirty percent of survey respondents indicated they want to be informed of opportunities to assist with their business transition. This group represents 1,533 business owners and these will be the initial target market.

In the current buyers' market, only the best prepared businesses will be attractive to buyers and Venture Connect will position businesses to their advantage. Research showed that workshops and information sessions held either by Community Futures or Financial Planners were full of business owners seeking assistance with their transition. Follow up with attendees of these workshops also showed that the business owner heard what they needed to do but lacked support to do so. Business owners seemed to go in to a state of paralysis when it came to processing their exit. Further research showed that while many agencies advertise they do transition or succession planning, very few provided the one on one support and coaching that business owners said they needed, especially to the small business market.

Project staff has found that "small business" to an accounting agency that does business transition work is \$5 million dollars. This agency, along with the network of commercial real estate agents are pleased they "finally" have a resource where they can refer business owners who need assistance preparing themselves and their business for transition.

With referrals from realtors, financial planners, accountants and the like along with direct contact to business owners, Venture Connect is targeting to attract, on an annual basis,

4% (about 200) of the business owner market seeking to exit in the next 5 years. That will obviously take time and funds to make it work.

#### People to deliver those services

Initially Venture Connect hired an in-office Business Advisor who was slated to deliver services to those who requested services. It became apparent very quickly that the model would not serve the large geographic area and the model was expensive in that the Business Advisor was being paid whether there were contracts or not.

Venture Connect then went on a talent search. Recognizing that a Business Advisor in one area could not be the "end all and be all" for every business, the talent search looked for people that would bring a variety of skills to the Venture Connect team and they would be encouraged to collaborate and support one another in delivering excellent transition services to our clients.

#### Distribution of Talent

One Business Advisor is currently placed in Powell River, Sechelt, Campbell River (serving all Vancouver Island points north), and Duncan. There are two Advisors in each of the Comox Valley and Nanaimo. There are no current plans to hire other Advisors for the under-served areas. However, when we are settled into contracts and have cash flow, Business Advisors will be hired in areas that show market demand for Venture Connect services, likely higher population bases. In short, we will deploy Business Advisors where the demand is strongest.

#### General Comments

##### Attachment to the Self-Employment Program

As laudable a goal as it was to attach entrepreneurs through the Self-Employment Program it was one of the pieces of this project that did not really work from the beginning and toward the end of 2011 actually foundered and did not proceed.

Timing of the idea of leveraging the SEP to Exit Opportunities could not have been worse. The long-standing delivery of SEP was in the middle of change and the employees were feeling the challenges of those changes. So, asking SEP coordinators to begin to adopt a concept that was a change in their delivery model at a time when the program was rolling up was extremely difficult.

As well, in order to find those potential buyers and then begin a process of training them through the SEP program or on-line took a great deal of time. By the time things were in place to train people, it was announced the intake for SEP clients would cease as of December, 2011. That truncated Exit Opportunities" intake by three months. At this point the idea foundered.

Ideally, matching SEP buyers to sellers could work with more time and a program that had a culture of thinking, "Why not buy a business rather than start one?" That was not the case, and the project was not able to deliver satisfactory results because of this.



### Partnerships

In order to deliver the best model we have consulted and taken direction from interested partners who assisted us in creating great product and solidified our professionalism in the eyes those players. Those partnerships continue to evolve. In order to continue to be a player in this sector, Venture Connect must continue to develop partnerships that aid in its sustainability.

### Timeframe

Venture Connect took on a significant chunk of work and it likely would have been more focused and less challenging if we had phased the project over a 2-3 year timeframe.

### Going Forward

We are all about communications and relationship. Venture Connect's vision is to become the trusted source for transitioning businesses (buyers and sellers) throughout BC. Community Futures is well-grounded in delivering business services to rural communities. Leveraging that along with excellent communication and a focus on maintaining existing and creating new trusted relationships are keys to our successful future.

## **Leveraging Funds**

Funds for this project were supplied as below. No additional funds became available.

<b>Source of Funds</b>	<b>Contracted Amount</b>
LLMP	\$ 45,807
ICE-T	\$ 43,627
Building Skills for Small Business Fund,	\$ 42,166
Equity - Community Futures Organizations	\$ 150,000
Community Futures (in kind)	\$ 54,000
<b>TOTAL</b>	<b>\$ 335,600</b>

### **Leveraging funds after project:**

Assistance has been offered from VanCity for \$30,000 with equal matching funds from Community Futures partners

## **Publicity**

Please see Appendix B for publicity

## Financial Report

Expenses	Contracted Amount	Actual Amounts
Project Management Fees and Expenses + travel*	\$ 78,000	\$ 78,759
Committee Member Expenses (in kind)	\$ 54,000	\$ 88,457
Professional Fees and Expenses **	\$ 130,000	\$ 133,463
Staff Wages and Expenses	\$ 11,433	\$ 12,000
Administrative/Office Expenses	\$ 9,900	\$ 10,628
Other Expenses ***	\$ 50,000	\$ 59,552
<b>TOTAL</b>	<b>\$ 333,333</b>	<b>\$ 367,790</b>

\* Includes project coordinator costs + travel

\*\* Includes web site, video development contracts

\*\*\* Includes client support costs

## Next Steps

### Operational

- Continue to build a strong base from which to grow
- Always consider reputation, integrity and values
- Work diligently to meet or exceed targets
- Create formalized partnerships with Provincial Nominee Program and Chambers
- Identify and utilize experts in areas such as immigrants and youth
- Solidify statistical gathering and reporting
- Update marketing plan encompassing the web portal, youth and immigration agencies and Island-Coast communities

### Service Delivery

- Monitor, assess and improve existing services and process
- Monitor and support staff and contractors in their efforts
- Reiterate standards and goals frequently
- Meet via video conference monthly and in person quarterly

### Web Site

- Finalize web links with BizPal, Opportunities BC and Chambers of Commerce
- Increase robustness, usability and reporting mechanisms of the web portal
- Expand business listing services and improve matching function on the web portal

### Expansion

- Create strategy that can be extrapolated to other communities in British Columbia
- Create partnerships with communities or organizations outside of the Island Coast that want to use the Venture Connect model or Venture Connect services
- Develop a delivery model for expansion outside of Island-Coast

## Conclusion

The project started more slowly than we would have liked however the buy in from the Community Futures offices who were able to opt in; their desire, encouragement and support to create Venture Connect Inc.; the decision to hire dedicated resources in the field and have solidified project efforts and will show in results over the final quarter of the pilot.

The high degree of interest in Venture Connect has been pleasantly surprising. In fact it has been important to keep us focussed and goal oriented.

The changes to the Self-Employment Program impacted the attainability of some targets for the pilot. Innovation and resilience will continue to support efforts as we move forward with new Self Employment Program parameters.

There will be challenges as we move forward. With a solid foundation, clear goals and continued support from Venture Connect directors we have faith we will overcome anything that comes before us.

Prepared by:  
Evelyn Clark, Project Coordinator  
Lori Camire, Project Manager

## Appendix A Steering Committee Members

**Barrie Wilbee** is an Electrical Engineer who completed graduate studies at the University of British Columbia. In 1971 he moved to the Sunshine Coast to own and operate, with his business partners, Lowe's Resort in the Madeira Park area of Pender Harbour. The business was operated continuously through to its sale in November of 2004, and that sale was facilitated by careful succession planning in a difficult market. The new business has transitioned into Painted Boat Resort and Spa which has become the signature piece of tourism infrastructure on the Sunshine Coast.

Barrie was a founding member of a division of Community Futures in 1987 and has served continuously as a member of the Board of Directors for the past 24 years. Throughout that time Barrie has also been a member of the Loans and Investment Committee, has Chaired that committee for the past 12 years, has held a number of executive positions within the Board, has served as Chair of the Board for the past three years and is currently a member of the REDI-B.C. Adjudication Committee of the Provincial Community Futures Association.

**Wendy Smitka** recently joined the ranks of the retired having capitalized on her own succession plan.

Wendy grew up on Vancouver Island and returned in 1991 with her partner to start a transportation business hauling bulk fuels. They grew their business from a staff of three to a thriving business with 26 employees. When developing her own succession plan Wendy found she needed to travel to the mainland for professional advice and is very pleased to be a part of Venture Connect and the opportunity to provide expertise here on the Island.

Owning a business is a lifestyle as much as a living and how to value the goodwill that you've built over the years is best done by an arms length professional that can bring objectivity and an understanding of current markets into consideration.

**David Mitchell** has lead the most rural and isolated Community Futures office on Vancouver Island since 2009. David developed his leadership and management skills during an extensive career with the British Columbia provincial government. After leaving government in 2003 David was a consultant prior to joining the Vancouver Island Health Authority in Victoria and then Campbell River.

**Sheila Service's** holds a BSN degree and has been in health care for almost 45 years as a Nurse, Nurse Administrator and more recently Emergency Manager. She has been with Community Futures for four years and has been Board Chair for one. She also served on the Board of Island Savings Credit Union for 24 years, many of those as Vice Chair and the last three as Board Chair. Sheila also served on Credit Union Central Committees during those years as well. She sits as a founding and current member of the Cowichan Seniors Community Foundation.

Throughout her career Sheila has been an active participant in a number of professional associations linked to health care such as the Nurse Administrators Association, BC College of Registered Nurses and the Canadian College of Health Service Executives.

**Dave Rushton** is a retired forest worker and worked as a logging truck driver for the majority of his working life. Dave worked directly for IWA for 5 years and then went on to work for the New Forest Opportunities (a branch of Forest Renewal BC) as Human Resources Manager. He is currently the Vice-Chair for the Regional District of Mount Waddington and has served as director for 8 years. Dave is currently the Chair of a division of Community Futures and the Chair of the Resident's Association of Woss.

**Cathy Robertson's** career experience spans many aspects of business. Since 2008 Cathy has been the General Manager of a division of Community Futures. In this role she oversees a range of community-based economic development projects and the small business lending program in addition to the day-to-day management of the organization.

Cathy has also been an associate in Cowichan Valley marketing firm and managed a wide variety of marketing programs for a number of diverse clients. For nearly 5 years Cathy was the Operations and Marketing Manager for both Cherry Point Vineyards and the Quw'utsun Cultural and Conference Centre, each owned by the Cowichan Tribes.

**Pam Krompocker** has managed a division of Community Futures since 1997. Ms. Krompocker has had many accomplishments since her appointment as Executive Director. She has chaired the Fisheries Legacy Trust, sat on the Community Economic Adjustment Initiative Committee and the Softwood Economic Initiative Quality Approval Committee. She also became the Executive Director Representative to the BC Community Futures Development Association Board and Island Coast Regional Representative.

**Jolynn Green** combines her Masters in Leadership and Training with hands-on experience assisting hundreds of small business from start up to expansion in addition to consulting with board and management groups. Jolynn joined a Community Futures team in 1994 where she worked for ten years; 6 years as Executive Director. Jolynn then became an executive team member of a five star golf /casino resort in the capacity of Human Resource Manager. Jolynn's is a graduate of the Masters of Arts – Leadership and Training from Royal Roads University of Victoria, BC. Jolynn became an Executive Director of a division of Community Futures in July 2010. She also operates a local inn.

**Lori Camire** has managed a division of Community Futures since September 1997. Previously she held supervisory and management positions with the Federal Government for close to 20 years. Lori has been a director with Community Futures British Columbia and held the position of Island Coastal Community Futures Manager Representative for 5 years.

Lori has also been involved with family business operations, and has dealt with the planning and executing of a succession plan.

**Sharon Anderchek** has a strong Community Economic Development (CED) and planning background. Over her 23 years with Community Futures she has managed CED projects, delivered the Self-Employment Program and worked with loan clients in an advisory capacity. Sharon was recently appointed as General Manager.

Her background in both provincial and municipal planning and program delivery in Ontario exposed her to a wide variety of economic and physical community revitalization work. She holds a Bachelor of Environmental Studies in Urban and Regional Planning from the University of Waterloo.

**Doug Blake** is a Professional Engineer and self-employed as an Engineering and Management Consultant. Up to 1990, Doug was the President and CEO of a manufacturing firm employing approximately 100 people. He was also a Director on the original board of a division of Community Futures in 1986 and serving until 1992 and returned to Community Futures in 1998 – currently sitting as Chair.

Doug is also a Director, for the Alberni Valley Chamber of Commerce, the Chair of Notre Dame/Holy Family Parish Finance Committee, a Member of the Association of Professional Engineers and Geoscientists of B.C. and a Member, Society of Naval Architects and Marine Engineers.

## **Appendix B: Web-site Survey Analysis March 10, 2012**

### Overview:

The concept of a comprehensive web portal to highlight Venture Connect services was started at the beginning of the Exit Opportunities project in early spring of 2011. The initial web portal was created and designed over a 6 month period and was launched in October 2011.

The web portal was designed to deliver:

- brand analysis design and launch
- navigation ability
- Search Engine Optimization strategy
- marketing integration
- buyer/seller resources including training videos
- content design and upload
- business seller listings and mapping
- buyer/seller matching function
- business certification system

When launched the web portal – renamed Venture Connect after a branding exercise - delivered 80% of the functionality outlined above. To date, except for some training videos and an on-line business-ready certification system the portal is 90% done. It is expected that the web portal will be complete by March 31, 2012.

### Survey:

In order to ensure that the portal development was on the right track, was accomplishing what it was mandated to do, and to have users reflect their experience of the web site a survey was designed. The survey was announced by e-mail, delivered through Survey Monkey and distributed to over 700 Venture Connect contacts. After three weeks and a number of prompts survey responses were at only 20 individuals.

It was decided to keep the survey short, and the questions simple, to the point and open-ended. All questions had a comment portion so participants could enlarge on their ideas about their web portal experience.

### Format Rationale:

In order to ensure that the survey would function as a reflection of users' needs and be easily responded to, some research was undertaken to determine the best questions and

format to use. It was decided to use the Occam's Razor\*\* approach supported by Avinash Kaushik who is a Google co-founder and a best-selling author. Mr Kaushik states, "...for the fastest way to understanding customer problems there is nothing like asking the customer themselves." He goes on to state that there are only three questions that need asking. Those questions were incorporated into the survey and they are outlined below along with user responses.

*\*\*Occam's Razor states that all things being equal, a simpler explanation is better than a more complex one ([http://en.wikipedia.org/wiki/Occams\\_razor](http://en.wikipedia.org/wiki/Occams_razor))*

Questions and Responses:

Question #1 - What is the Purpose of your visit to our website today?

*Responses:*

- Want information about Venture Connect 58%
- Information about buying 26%
- Information about selling 16%
- Buying a listed business 11%
- Listing a business for sale 5%
- Contact a Business Advisor 5%

*Analysis:*

The responses reflect how users of a web site might approach the site in that the majority would be seeking general information about the site such as what content is incorporated and how it relates to a user's need for information so it is no surprise that over half of the survey respondents wanted general Venture Connect information. It might be considered a surprise though that given the demographic shift favours a growing number of small business sellers that visitors had more interest in buying a business than in selling one. It is also telling that the smallest amount of respondents were looking to contact a Business Advisor which is Venture Connect's stock-in-trade and source of revenue generation.

Comments like: "Very user friendly", and "Presents topics in a logical, readable format" indicted that the web portal presented as inviting and easily navigable. Comments such as: "Could not find a Business Advisor" suggested the site has some confusing pathways that did not lead users in the direction that wished to go.

Question #2 - Were you able to complete your task today?

*Responses:*

- Yes 84%
- No 0
- Partially 16%

*Analysis:* This is a fairly simple, self-evident response that was not accompanied by any comments. Clearly users want to express

### Question #3 - How can we improve our website?

#### *Responses:*

- Provide More Information 35%
- Update Navigation ability 29%
- Provide internal searching 6%
- Update web info more often 6%
- Other 41%

*Analysis:* This question speaks to the potential short-comings of the portal and what users believe could make the portal more robust and contextual. Suggestions of more information and easier navigation are opportunities for the web designers to make the site more user-friendly as well as attracting users to the site with greater frequency. Keeping information up-to-date and plentiful would clearly invite users to return and keep them engaged over multiple visits. It has been noted by the designers that the initial web portal navigation is somewhat unwieldy and contains unnecessary looping that could be greatly simplified.

Positive comments such as: "Great work", "Looks great", "Works fine" suggest that the majority of people think the web portal has some value and is easily navigated. However comments like: "Update and refresh content on a consistent basis", "Link does not work.", "Some redundancy on some of the pages", indicate the need for closer inspection of the site is required and some changes in usability are indicated.

Some comments of an editorial nature (spelling issues, geography and visuals) were received and those edits have since been completed.

#### *Conclusion:*

Generally one could draw the conclusion that the web portal is acceptable with a few flaws needing attention to make the site both more serviceable and attractive to repeat visitors. But it has always been the aim to have a highly professional, informative web portal that attracts repeat users and new clients on a regular basis. With that in mind, the response of the Venture Connect team has been to undertake a complete review of the web portal, including all of its content and navigability.

That review was complete at the beginning of March and changes to the navigation along with updated scroll bars, a more professional look and refreshed content will be complete by April 30, 2012.

#### Bibliography:

Occam's Razor;AKaushik, 2007,  
[www.kaushik.net/avinash/threegreatestsurveyquestionsever/](http://www.kaushik.net/avinash/threegreatestsurveyquestionsever/)

## **Appendix C: Marketing Materials**

See Digital Attachment



## Appendix D: Project Publicity

See Digital Attachment

## Appendix E: Committee In-Kind

Name	Q1-2011	Q2-2011	Q3-2011	Q4-2012	
Anderchuk		500	1647	269	
Willbee		749	1647	669	
Krompocker	728	1361	1240	620	
Scott		828			
Camire	8947	9300	9362	6443	
Blake		200	1512	504	
Crane	150				
Dawson	200				
Green	710	910	1530	635	
Smitka		897	1530	635	
Mitchell	798	1873	2094	878	
Rushton			698	728	
Robertson	659	1398	1677	539	
Service		759	559	539	
Annis			559		
Joyce			559		
Abbott	5150	4500	4500	4500	
Rogers		200			
Haggard		1467			
Total	17342	24942	29114	16659	<b>88357</b>

## Appendix F: Final Financial Claim

See Digital Attachment

# The Challenge to Vancouver Island's Economy

In the next 5 to 10 years, the 'baby boomer' generation will transition out of the work force and into retirement.

1. 3,720 current businesses face closing or selling, with 88% motivated by retirement.
2. 1,776 hope to sell to someone outside of their family.
3. 1,138 have no plan to transition, and will close.

If all 3,720 businesses closed over the course of 5 years, Vancouver Island would lose more than 9,000 jobs. Rural communities would be hit the hardest: small business owners handle many vital services outside of city centres.

**Now is the time** to start thinking about our future.

## Placing Business in the Hands of the Next Generation

Exiting business owners need a way to connect with new entrepreneurs. New entrepreneurs need to find existing businesses in which to invest. Enter **Venture Connect**.

Instead of entrepreneurs going it alone, Venture Connect gives both buyers and sellers resources to use:

### 1. Website

The Venture Connect website is a catalyst for those interested in buying or selling Island Coast businesses. Potential entrepreneurs and existing business owners now have a key informational resource dedicated to their success.

### 2. Buyer – Seller Matching

Every business suits a corresponding lifestyle. For a seller, it can be hard to find a qualified buyer that fits. For a buyer, finding the right business for you is paramount. That's why Venture Connect offers a unique online service to make buyer and seller matching as easy as possible. Sellers can post their business, while buyers get the chance to browse potential opportunities.

### 3. Planning, Coordinating, and Supporting

The most profitable deals for both buyers and sellers start with proper planning. Sellers have to present their business effectively. Buyers have to consider their situation carefully before striking a deal. By working with Venture Connect professionals, you can establish a plan, coordinate all of the important elements, get the support you need, and succeed in your buying or selling goal.

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TF 1-877-724-1241 E [info@ventureconnect.ca](mailto:info@ventureconnect.ca)

**PLAN** for a sale  
in a buyer's market

---

**PREPARE** your business  
for the next entrepreneur

---

**REINFORCE** your  
finances for the future

Better Financial Security Starts With

venture  connect

CHANGING THE FACE OF BUSINESS

## Once-in-a-Lifetime

For sellers, Venture Connect starts with a professional evaluation of your business, leading the way to a unique, personalized transition plan.



What's involved in a transition plan? That's up to you. Some owners like a do-it-yourself model, while others leave it up to Venture Connect staff. However you choose to approach your transition, you'll have a timeline to work from, and a strategy for "handing over the keys" to the right person.

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with business ownership

---

**GROW** your expertise  
as a business leader

---

**PROFIT** from a team  
of experts  
to reduce your risk

Entrepreneurship Starts With

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## A Life-Changing Investment

Venture Connect starts with a personal survey of strengths and interests. It's the best way to know whether owning a business is for you.



Once you have chosen your business path, Venture Connect is there to help. Some of the most common entrepreneurial mis-steps can be limited by starting a relationship with a personal business coach. Hit the ground running with a team of experts on your side.

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## BUSINESS

# Pilot project will assist business owners to exit

Community Futures brings together buyers and sellers

HEATHER THOMSON ALBERNI VALLEY TIMES

As Baby Boomers age, the business community is threatened by a slow influx of young entrepreneurs ready to take their place.

Small business succession is consistently identified as a key issue during Small Business Roundtable consultations. Without a succession plan, small business owners can lose return on their investment and leave the communities where they operate without the services and jobs they depend on. For Island coastal communities, a new pilot project, called Exit Opportunities, will help them keep established businesses and the jobs they create by assisting business owners in passing on their success to aspiring entrepreneurs.

"It is something we have been working on for many years," explained Lori Camire, executive director of Community Futures

Alberni-Clayoquot. "A large portion of rural small business owners are looking to retire in the next five years. We want to make sure that young entrepreneurs are aware of those opportunities and give them the tools to become successful business operators."

She said when the province approached them about doing a pilot project, they jumped at the opportunity and expanded it to include the coastal region.

In the Alberni Valley, there are approximately 1,200 businesses. Of those, 43% have owners over 55 years of age, and 58% are over 50. When asked if they want to exit the workplace in the next three years, 16% said yes, 80% gave retirement as the reason.

The challenge for these business owners is that they do not have exit plans, although 55% indicated they want to sell to a non-family member and 27%

would just close the business.

"The numbers are staggering," Camire said. "We want to assist business owners to make sure they are more prepared to sell and will get a better price for their business."

She said it is also important to give young entrepreneurs opportunities.

The project will include training and services related to purchasing an existing business and would link Self-Employment Program participants to small business owners who wish to sell their business. Other potential purchasers will be offered similar training and small business owners will be offered support and training to ensure their businesses are transition-ready.

Camire is confident Exit Opportunities will be a success and will revitalize the business community.

HThomson@avtmes.net



# Exit opportunities

A matchmaking service for business

Between 2011 and 2016, nearly 4,000 Vancouver Island area business owners will be asking: "What do I do with my business when I retire?" More than a thousand will close down. Two thousand hope to sell but haven't yet begun the process. If all these business owners closed down, more than 9,000 jobs would be lost.

"I see this as a train coming down the tracks and it's going to hit small communities in drastic ways," Evelyn Clark, Venture Connect project coordinator, said at a recent Powell River Chamber of Commerce luncheon. "You can expect 25% fewer shops and services in the future in the Vancouver Island Coastal Region."

The impact these statistics have on the local economy is staggering. Recognizing what was in store, a regional initiative headed up by Community Futures in Port Alberni, began working on this issue.

"In a nutshell, we want to assist people in the region who are buying or selling a business," said Pam Krompocker, Executive Director of Powell River Community Futures.

Small business succession is consistently identified as a key issue for business owners. Without a succession plan, small business owners can lose return on their investments and leave the communities where they operate without the services and jobs they depend on.

A new pilot project called Exit Opportunities, will help keep established businesses, and the jobs they create, by helping business owners in passing on their expertise to eager entrepreneurs. Exit Opportunities will link interested business purchasers to small business owners who are in the process of, or thinking about, exiting their business.

The Venture Connect team works to match business opportunities to new business leaders. Clark says her Ven-

ture Connect team offers a wide variety of services to assist business owners sell. "They also help buyers work through the challenge of buying a small business. If you don't know how much your business is worth, where to find a buyer or seller or what the next steps are for your business, Venture Connect can coach you through all that and more!"

In Powell River, there are 30 businesses for sale. Many of those business owners wish to retire and if they can't sell their business they will simply end up closing the doors. "We are trying to help the next generation by putting businesses in their hands," said Krompocker.

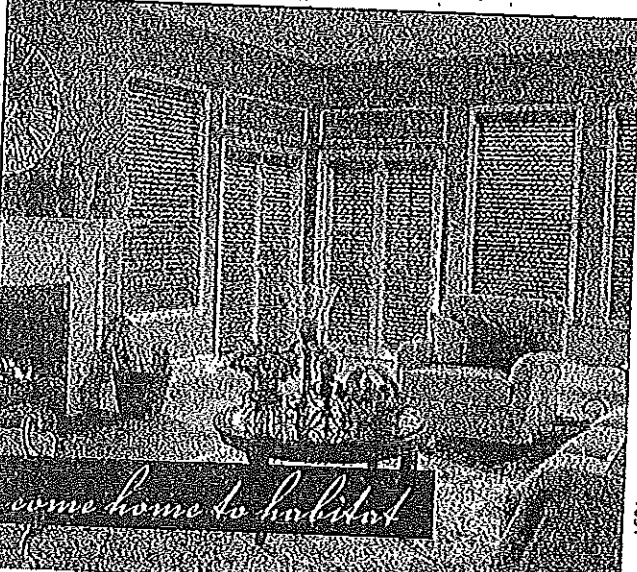
Some of the businesses that will be for sale are essential services.

People interested in self-employment will be encouraged to look at an existing business that is for sale instead

of starting a brand new business. "If it is an established business and successful, you have a better chance of making it work," said Krompocker. Like a matchmaking service for people, Venture Connect matches up people interested in starting or buying a business with an existing business that for sale.

Instead of entrepreneurs going it alone, Venture Connect gives buyers and sellers resources to use including a website buyer-seller matching; training, planning coordination and support. "This is not free service," said Krompocker.

Venture Connect is a one year project and a partnership between the Provincial Coastal Economic Trust and Island Coastal Community Futures, who will deliver the project on central and northern Vancouver Island, Powell River, the Sunshine Coast and Howe Sound. RR.



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# Venture Connect brings change

For years entrepreneurs have been encouraged to follow their dream of starting their own business.

Recent surveys conducted in communities on Vancouver Island show that unprecedented numbers of these entrepreneurs will be looking to make that transition out of the work force and into retirement.

Think about it. Exciting opportunities are becoming available for many new aspiring entrepreneurs.

One of the aims of Venture Connect is to help keep established businesses and the jobs they create in communities, by assisting business owners in passing on their success.

Venture Connect can assist these business owners to put their best foot forward in a buyer's market.

By creating a personalized business transition plan, staging their business for sale, assisting in valuing their business Venture Connect focuses on the

business owner looking to move on from their business and the buyer who recognizes the value of investing in an established business.

So as business owners "headed for the exit" begin to queue, Venture Connect will be there to assist them in an orderly fashion and prepare the next round of new small business owners.

For more information on "succession strategies" for business owners or to learn more about the opportunities that exist through small business, contact Venture Connect at 855-421-0082 or visit [ventureconnect.ca](http://ventureconnect.ca).

Venture Connect is the result of a partnership of Island Coastal Economic Trust, the Ministry of Jobs, Tourism and Innovation through funding under the Canada BC Labour Market Development Agreement, BC's Small Business Roundtable and six Community Futures organizations throughout Vancouver Island and the Coast. [www.ventureconnect.ca](http://www.ventureconnect.ca)

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Feature Focus: Succession Planning

# Good succession plan leads to smooth exit

By Marlene Linda White

Entrepreneurs focus tremendous amounts of energy on starting and growing their businesses.

Consumed by day-to-day responsibilities and concerns, they often ignore the reality that one day, they'll retire. Thoughts of an exit strategy may not emerge until the last minute, resulting in increased stress and real difficulty in making the transition.

Thanks in part to the huge contingent of baby boomers, private business value totaling \$1.2 trillion will be changing hands within the next three to five years, according to Lacle Gosselin, CA, QMC of MNP LLP in Nanaimo.

Many owners have reached their 50s and 60s and have been in business for up to three decades. Despite the whopping number of small- to medium-sized businesses, a mere 10 per cent of company owners have crafted succession plans.

"People never think of it early enough," she says. "They need a plan that's made long in advance. It's not something that can be put off."

Kea Stratford, CEO of Business Victoria, agrees, saying, "We've helped start 2,500 businesses. We've told the owners that when going in, they should know how they'll exit."

Besides a low birth rate and the aging population, the economy also has an impact on the changing business landscape. Even if they'd decided to retire, many entrepreneurs have had to delay their departure because of the recession. It's weakened the performance of some companies, and owners are hoping to ramp up sales before selling. Currently, there's a dearth of "good businesses" for sale.



says Mike Lanz, certified business intermediary at Vancouver Island Business Sales. When the recession abates, a glut of businesses may become available and a buyers' market could result.

So the competition will be stiff. To stand out in a tough field, business owners need to position themselves carefully. The intent is to maximize value, minimize the tax hit and help the owner to reach his or her financial and non-financial goals, according to Gosselin. And this can take a while, so it's prudent to begin the process.

Succession planning and an imminent buyers' market may have an even greater significance in rural communities on Vancouver Island.

There are 13,396 businesses in six smaller regions on Vancouver Island, according to Loui Camure, executive direc-

tor of Community Futures Alberni-Clayoquot. Over 3,200 of these owners plan to give up their companies in the next five years, possibly resulting in a reduction in available goods and services.

"In many small towns, we don't have the critical mass to attract people and business owners," she says. "So we can't lose many businesses."

To confront the potential loss of enterprises, the non-profit organization Venture Connect has been formed. It's geared to support small business owners and would-be buyers as companies transition. Via the Internet, buyers can view businesses for sale and connect with sellers.

"This will give greater exposure to rural businesses," says Camure.

No matter where it's located, a company needs a solid succession plan before it can go to

market. A critical evaluation is the first step.

"Most people have no sense of what their business is worth," says Lanz. "They expect someone to show up to buy the business. That's the biggest challenge we deal with."

He suggests that owners start by determining that value. In many cases, they may have an inflated notion of what they'll receive. Once retirement is considered, an owner may stop working the business as interest in it is lost.

So a bit of "spit and polish" may be required to bring it back to its prime. To do that, the owner should concentrate on tweaking the value drivers that will entice buyers.

These include rising sales and reliable cash flow, profitability, good systems and pro-

grams, and a demonstrable understanding of markets. Gosselin stresses the importance of retaining a manager or management team that will not be retiring along with the owner. Having young talent on board ensures there will be someone on-site to guide the new owners.

"Also, the more valuable the owner is to the business, the less the business is worth," she says. "That would mean that at retirement, the company would lose its biggest asset."

To help ensure a successful transition, she recommends allowing up to one year to design an exit plan. Years more may be required to incorporate changes to boost the business' value, whether it means cutting a money-losing

Continued On Page 24

## DEL MISTRO DUNN LICENSED PROFESSIONAL ACCOUNTANTS

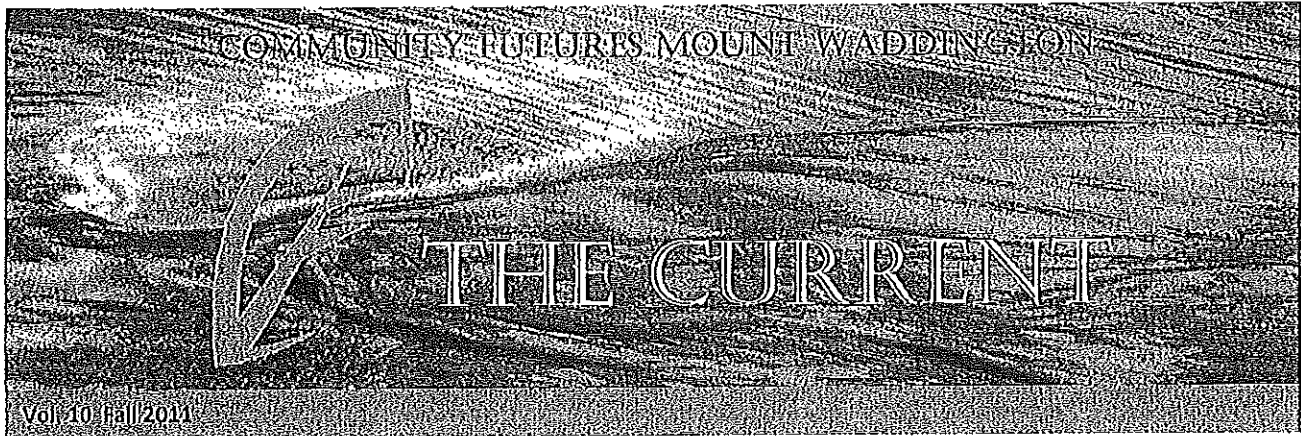
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Suite 201, 7385 Duncan Street  
Powell River British Columbia V8A 1W6

Phone 604 485-2726

Fax 604 485-7910



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venture  connect

Submitted By Venture Connect

Retiring? Need to sell your business?

Venture Connect can help

Established in 2011, Venture Connect is a partnership of Island Coastal Economic Trust, BC Ministry of Jobs, Tourism and Innovation, BC's Small Business Roundtable and six Community Futures organizations throughout Vancouver Island and the Coast. This not-for-profit company was created in response to the challenge of linking buyers to retiring business owners throughout the area.

Small business owners are retiring or nearing retirement

British Columbia ranks second in Canada for small businesses per capita, behind Saskatchewan. As of 2009, 98% of all businesses in British Columbia were small businesses and provided 57% of private sector employment in the province. That is a lot of products, services and employer potential that is nearing retirement!

Since the beginning of the decade self-employed Canadians nearing retirement has been growing by 7.5% annually and is projected to hit 750,000 retirements by 2020. A significant number of these businesses are operated by the "Baby Boomer" generation. A "Baby Boomer" is commonly considered to be someone born between 1946 and 1964 – which would now put them between the ages of 46 to 64. It is widely understood that many of these people will soon be retiring, leaving spaces for younger entrepreneurs to take their place.

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With 40% of small businesses owners planning to sell their businesses to *outside interests*, rather than family, it is important for entrepreneurs to prepare for this transition to make the transfer lucrative and positive for both buyers and sellers. As importantly it is important to small, rural communities to ensure these businesses, their services, their products and their employment potential are maintained. It is not overstating the challenge to say that over the next 20 years, the ramifications for our communities and their economies are immense.

### Why Venture Connect?

Venture Connect was created in response to some of these challenges. Venture Connect can provide you with services that will support the sale of your business to a new owner.

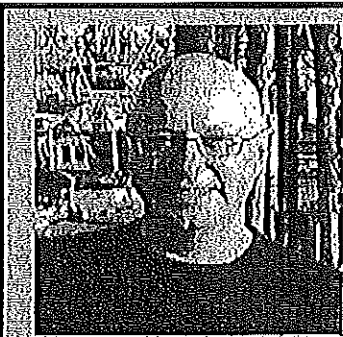
Services that will support small business owners and potential buyers in preparing for business transition.

An on-line web source of businesses for sale with the ability to match business sellers and potential buyers.

Entrepreneurship and small business supports for buyers and sellers.

### For More Information

Contact: Community Futures Mount Waddington  
250-956-2220  
info@cfmw.ca



## Manager's Perspective By David Mitchell, General Manager

Lately I have heard more "North Island" pride talk coming from various sectors. A good example is Vancouver Island North Tourism, which has focussed its marketing on the benefits and beauty of the "true North Island." But a lesser known initiative, the Mt. Waddington Coordinated Workforce Initiative, also has North Island pride as its foundation.

This initiative is trying to create "made in North Island" solutions for our industry and workforce challenges.

Almost three years ago the Regional District started to bring key stakeholders together to address the question of how we attract, train, recruit and retain people with the right skill sets, at the right time in the right industries. This challenge was born, in part, out of the fact that Mt. Waddington was often rolled into

the "mid-Island region" encompassing Campbell River and the Comox Valley, whose economies, challenges and potential solutions are different than ours on the North Island.

Through closer examination it was apparent that one of the underlying factors affecting our success is the lack of coordination between stakeholders. In broad terms, we need to create an overall approach to link education and training, industry and employers, together with the needs of job seekers and the agencies that assist them. This coordination effort also needs take into account the needs of First Nations, regional economic development opportunities and the stabilization and growth of business in the region.

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## NEWS RELEASE

For Immediate Release  
2011JT10080-000794  
July 14, 2011

Ministry of Jobs, Tourism and Innovation  
Island Coastal Economic Trust  
Community Futures Alberni-Clayoquot

### **Pilot project brings opportunity knocking for entrepreneurs**

PARKSVILLE – Dave Willie, owner of Black and White Party Rentals in Parksville has a plan to pass on his small business to a long time employee, but his situation is rare throughout rural B.C.

Small business succession is consistently identified as a key issue during Small Business Roundtable consultations. Without a succession plan, small business owners can lose return on their investment and leave the communities where they operate without the services and jobs they depend on. For Island coastal communities, a new pilot project will help them keep established businesses and the jobs they create by assisting business owners in passing on their success to aspiring entrepreneurs.

“When we started looking at what to do with our business, our only two options were to sell or grow. Having a proper succession plan in place has allowed us to do both.” said Willie. “Now, not only can we provide the next generation of Parksville entrepreneur an even stronger business opportunity, but we get a return on our 20-year investment.”

Exit Opportunities, a new small business succession pilot project, will link interested business purchasers to small business owners who are in the process of, or thinking about, exiting their business.

“In many rural communities, small businesses are the biggest employer, so it’s vital that we keep them going,” said Willie.

The one-year project is a partnership between the Province, Island Coastal Economic Trust and Island Coastal Community Futures, who will deliver the project while serving central and northern Vancouver Island, Powell River, the Sunshine Coast and Howe Sound.

The project will include training and services related to purchasing an existing business and would link Self Employment Program (SEP) participants to small business owners who wish to sell their business. Other potential purchasers will be offered similar training, and small business owners will be offered support and training to ensure their businesses are transition-ready.

### **Additional Quotes:**

#### **Pat Bell, Minister of Jobs, Tourism and Innovation –**

"Small businesses are the backbone of employment and services in rural areas, and it's imperative that we give them the tools they need to grow and succeed and support the communities in which they operate. If small business owners want to retire or move on to other interests, this program will help them see return on their investment, give new entrepreneurs a start and maintain jobs that families depend on.

#### **Parksville-Qualicum MLA Ron Cantelon –**

"When a small business disappears, a part of the community dies with it. This program will enable owners to pass the torch to a new, locally based owner. This program will prepare new owners with business knowledge so that they can effectively apply their energy and enthusiasm to renewing these local enterprises."

#### **Lori Camire, executive director, Community Futures Alberni-Clayoquot –**

"A large portion of rural small business owners are looking to retire in the next five years. We want to make sure that young entrepreneurs are aware of those opportunities and give them the tools to become successful business operators."

#### **Linda Larson, vice chair, Small Business Roundtable –**

"Exit Opportunities will enable small business owners to realize a return on their investment and give new entrepreneurs the opportunity to assume ownership of established businesses, ensuring businesses continuity in rural communities and maintaining and growing local employment."

#### **Barry Janyk, chair, Island Coastal Economic Trust –**

"Small business is the crucial thread – the running stitch – in the fabric of our communities. By assisting in the successful transfer of small business ownership, our trust delivers on its duty to ensure communities on the upper Island and the Sunshine Coast continue to evolve, diversify and thrive. This project is another great example of the value of ICET as envisioned and created by the Province. We help enable communities to make the investment decisions for their region and ensure that business investment continues to meet their real and specific needs."

### **Additional Information:**

- The Ministry of Jobs, Tourism and Innovation is providing \$42,166 through the Building Skills for Small Business Fund, held in trust by the B.C. Chamber of Commerce and overseen by the Small Business Roundtable and \$45,807 through the Labour Market Partnerships Program, a program funded under Canada-BC Labour Market Development Agreement.

- The Ministry of Social Development is supporting the project through the Self Employment Program funded under the Canada – BC Labour Market Development Agreement.
- The Island Coastal Economic Trust is providing \$43,627 for the project in support of its mandate to make strategic investments in economic development priorities, including small business.
- Island Coastal Community Futures are contributing \$222,000 of the overall budget.
- Total cost for the project is \$353,600.

**Quick Facts:**

Small business is a key economic driver in British Columbia:

- Making up 98 per cent of all businesses in the province.
- Generating 57 per cent of all private sector jobs in the province.
- Employing over one million people.
- Contributing over 41 per cent of the total value of goods exported from B.C.

**Learn more:**

<http://www.cfac.ca/content/welcome-community-futures>  
<http://www.bwparty.com/>

**Contacts:**

Sheldon Johnson  
 Public Affairs Officer  
 Ministry of Jobs, Tourism and Innovation  
 250 213-5811

Lori Camire  
 Executive Director  
 Community Futures Alberni-Clayoquot  
 1 877 724-1241

Line Robert  
 Project Manager  
 Island Coastal Economic Trust  
 250 926-6607

Dave Willie  
 Black and White Rentals  
 250 954-1401

Connect with the Province of B.C. at: [www.gov.bc.ca/connect](http://www.gov.bc.ca/connect)



**Exit Opportunities**  
**(a succession pilot project)**  
**dba Venture Connect**

The Province of BC is engaged with Island Coastal Community Futures to carry out a pilot project utilizing the Self Employment Program to assist:

- a.) Business owners looking to exit their business and
- b.) Potential new business owners seeking to buy businesses

The pilot project began on March 1, 2011 and ends March 31, 2012.

During the course of this pilot project please consider:

1. **Exit Opportunities** training services (not allowances) are deliverable to non SEP eligible clients seeking to purchase a business. Non SEP clients must not diminish the capacity for SE clients to attend training and may be charged fees for this training.
2. Employment Assistance Providers have authorization to actively support and refer clients wishing to explore purchasing a business to **Exit Opportunities** if self-employment is considered a reasonable option for a client and this may be done without a client completing a job search.
3. Regardless of a SEP clients residence, s/he may be referred to the **Exit Opportunities** SEP Project if it is deemed the most appropriate course for the client.