

Business Owner Succession Strategies (BOSS)

Final Report
October, 2015



Business Owner Succession Strategies Project (BOSS Project)

The purpose of the BOSS Project was to maximize the success of business successions and retentions throughout the Province of BC by highlighting the need for business owners and local officials to plan for business succession.

Project activities focused on:

- delivery of business succession planning workshops to business owners
- presentations to stakeholder groups to build capacity and strengthen communication linkages
- training succession planning trainers throughout the province
- creating an electronic handbook for business succession trainers

The Province of BC, Venture Connect and Community Futures were the key Project Partners. Support from Chambers of Commerce, Economic Development Agencies and Municipalities added to the success and depth of the project.

The objectives of the project were to:

- assist hundreds of business owners by imparting practical knowledge to help them plan for a successful exit from their business
- build capacity and strengthen communication linkages between various levels of government, Community Futures, Chambers of Commerce and Economic Development Agencies throughout the province; help support communities and businesses to achieve success with successions and business retentions
- add value to presentations and gather data on business owner thoughts, concerns and behavior throughout their succession efforts which could lead to subsequent support initiatives

Measurable Results were established as:

- a minimum of 30 Business Planning Workshops delivered throughout the Province (expected to be hosted at Community Futures locations)
- a minimum of 22 Presentations on Demographic Shifting and Business Succession to be delivered throughout the Province
- a minimum of 20 trainers to be trained to deliver succession planning workshops
- a practical handbook on Business Succession Training to be created and published electronically
- business owners to be followed for one year after their workshop by a series of 3 surveys

The project began in late February, 2014 and ran through October 31, 2015 with all workshops and presentations to be concluded by October 31, 2014.

The project provided monthly updates to partner organizations to October 2014 at which time it switched to quarterly reporting; November, 2014; February, 2015 and June, 2015 with the final report in October, 2015.

A quick snapshot shows achieved results.

| Project Participation | Target # Participants | Actual # Participants |
|----------------------------|--------------------------|--------------------------|
| Workshops | 240 | 291 |
| Presentations | 176 | 173 |
| Train-the-trainer Sessions | 20 | 25 |
| Project Events | Target # | Actual # |
| Total Presentations | 52 | 53 |

The handbook on Business Succession Training was created and is published electronically.

Project oversight was through Lori Camire, Executive Director, Community Futures Alberni-Clayoquot.

Highlights

100%

Tracking

We were able to track or record all clients or businesses throughout the life of this Project

527

Impacted by BOSS

Five hundred and twenty seven business owners participated in workshops or met with a BOSS trainer to discuss business succession

271

Informed Stakeholders

Two hundred and seventy one stakeholders were informed about demographic shifting and the forecast for the supply and demand of businesses in their region through to 2032

14

Businesses Sold

Fourteen businesses (8%) changed hands during the Project

8

Under Contract

At the end of the Project, 8 businesses (5%) had active and accepted offers for purchase

28

Succession Loans

Community Futures in BC led the way in the 4 Western Provinces by writing 28 succession loans in 2014/15. Alberta, Saskatchewan and Manitoba wrote 7, 5 and 3 respectively

96%

Plan to Sell

96% of business owners plan to sell rather than close; a statistic considerably better than the 69% in earlier business surveys. Knowledge received in the workshops is credited with this significant shift

Regional and Business Participation: BOSS

180 businesses from all regions of BC attended initial BOSS workshops



Business Owner Succession Workshops

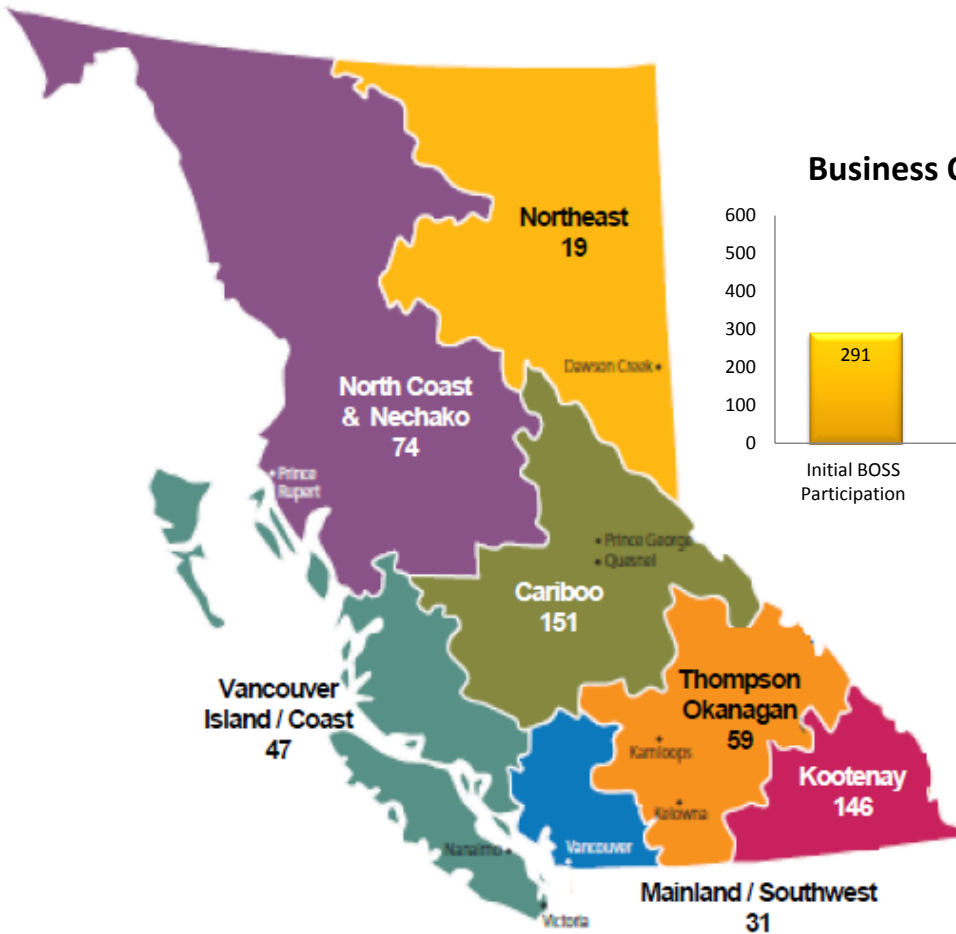
291 participants representing 180 businesses from all regions of BC attended initial BOSS workshops. Extensive marketing of the workshops by Regional Community Futures, Chambers of Commerce and Economic Development Officers helped to increase the participation numbers. Participants in these workshops were tracked for one year through quarterly follow-ups. The goal of the follow-up efforts was to identify trends and outcomes providing valuable data for future business owner succession services and to help support communities as they deal with current and future issues created by demographic shifting.

Following the initial workshops, BOSS trainers continued to provide business owners with succession information in classrooms and on an individual basis. By the end of the project period a total of 527 business owners were impacted by materials supplied through BOSS; 14 businesses had changed hands; 8 more businesses were under contracts for sale with an additional 39 listed. Just 2 businesses had closed their doors. Knowledge gained from the workshops is credited with significantly reducing the volume of business owners who plan to close their business. The process no longer an overwhelming mystery. Important to note, 1 in 3 business owners plan to try to sell quietly first before they openly list their business.

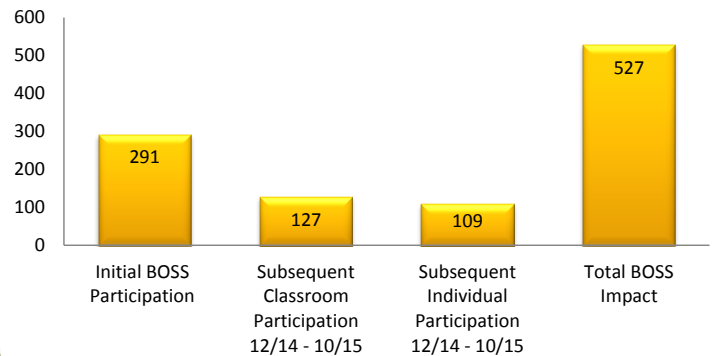
We are pleased to note that virtually all businesses indicated that the Venture Connect site and Buyer’s Guides, with their focus on business sales, is the first place that they would go to list their business.

Regional and Business Owner Participation: BOSS

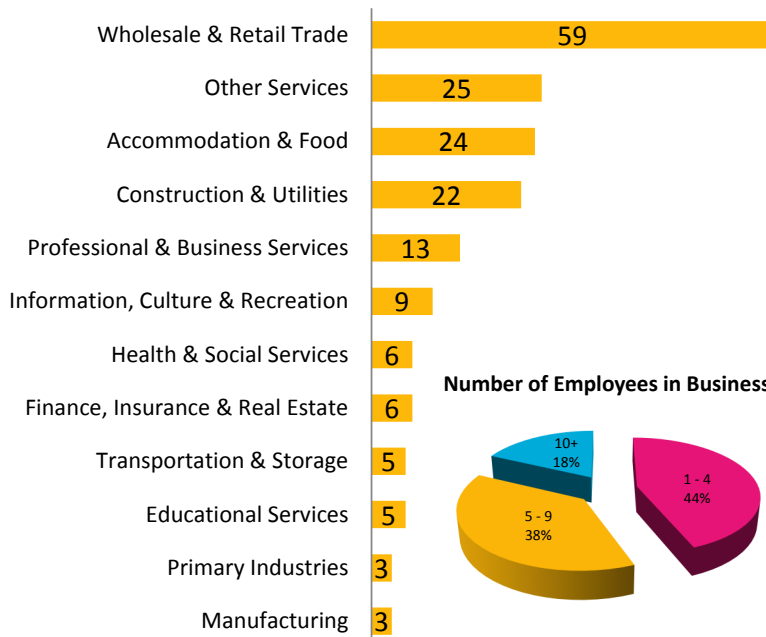
By the end of the project period a total of 527 business owners had either participated in a BOSS workshop or individually received BOSS information.



Business Owners Impacted by BOSS



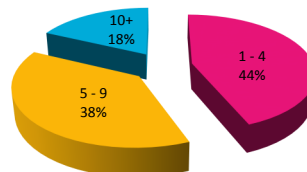
Industry and Business Representation: BOSS



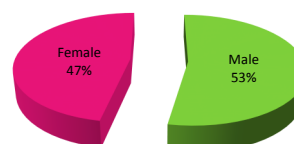
Business owners from most major industry categories were represented in BOSS workshops. Participants also represented micro, small and medium sized businesses along with large corporations employing thousands of employees and spanning decades of business ownership.

It's interesting to note that 47% of business owners attending BOSS workshops were female, while approximately 37% of business owners in B.C. in 2014 were women.

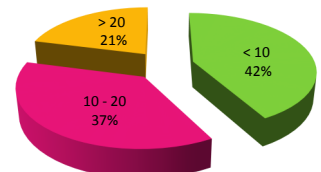
Number of Employees in Business



Business Owner Gender



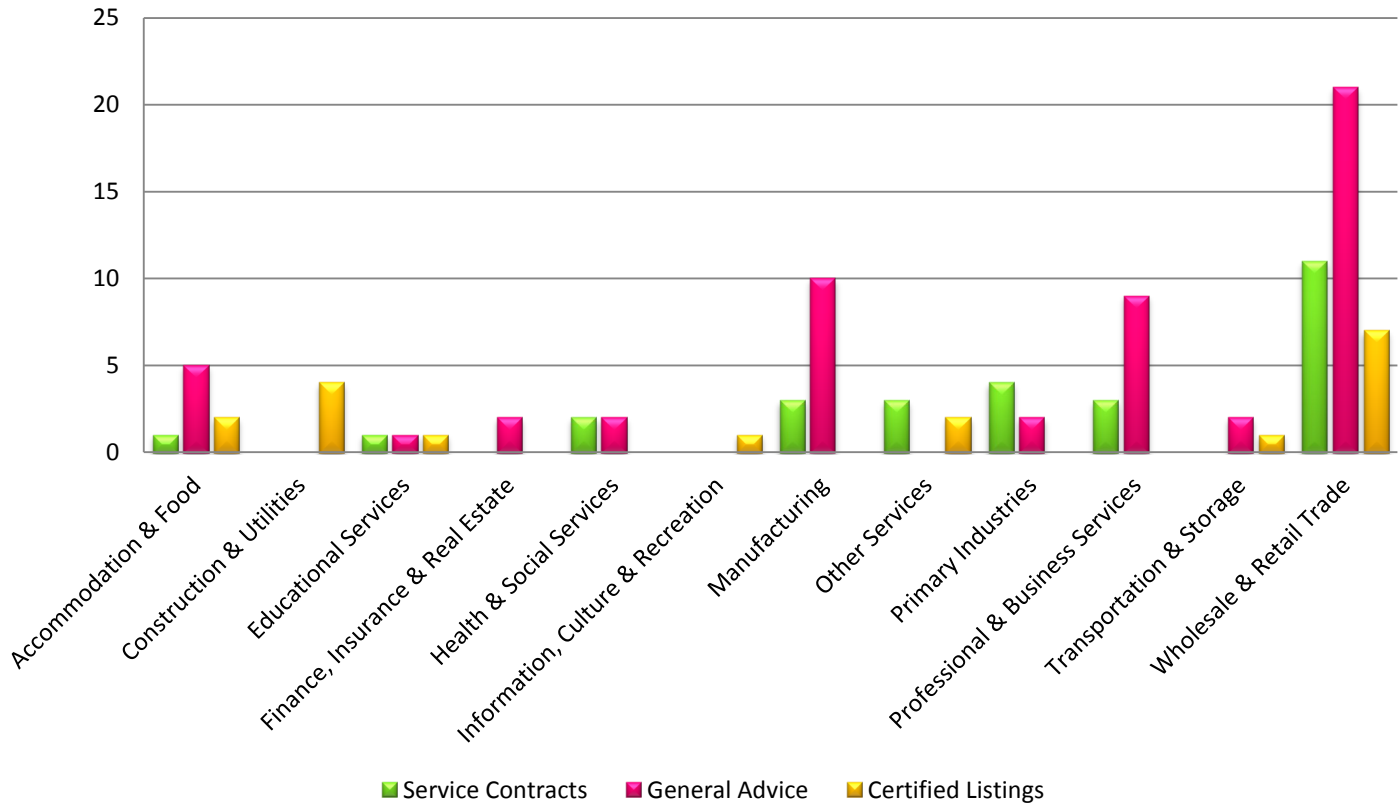
Number of Years in Business



Business Engagement Following BOSS Workshop by Industry

Following the workshops a number of business owners sought additional information while many others engaged in value added services directly related to supporting their succession plan.

Requested Support by Industry Following Workshop



Workshops: The Catalyst for Business Owner Succession Planning

Many business owners attending BOSS workshops advised that they would consider exiting within the next 3 - 5 years. This is supported by the 32% of business owners who engaged in contract services with Venture Connect by the first follow-up, with another 52% seeking general advice. Further, an additional 12% and then 9% engaged in contract services by the second and 3rd follow-ups respectively. Virtually no additional commitments or enquiries were made between the third and final follow up.

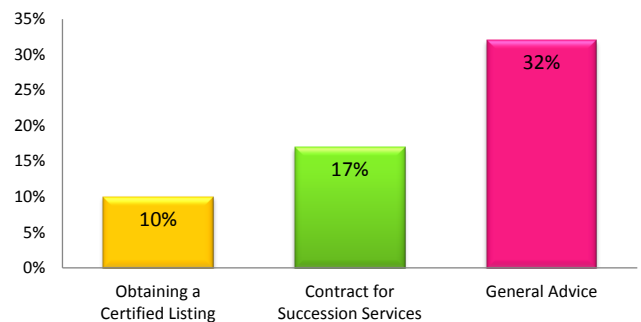
Further, the volume of business owners that now believe they have a chance to sell rather than *just* close their business is significant. This not only realizes a return on their investment but also retains a business in a community.

The timing of enquiries and resulting commitments to contract services demonstrates the workshops were a call to action for many business owners, indicating workshops are an important catalyst to business succession activity.

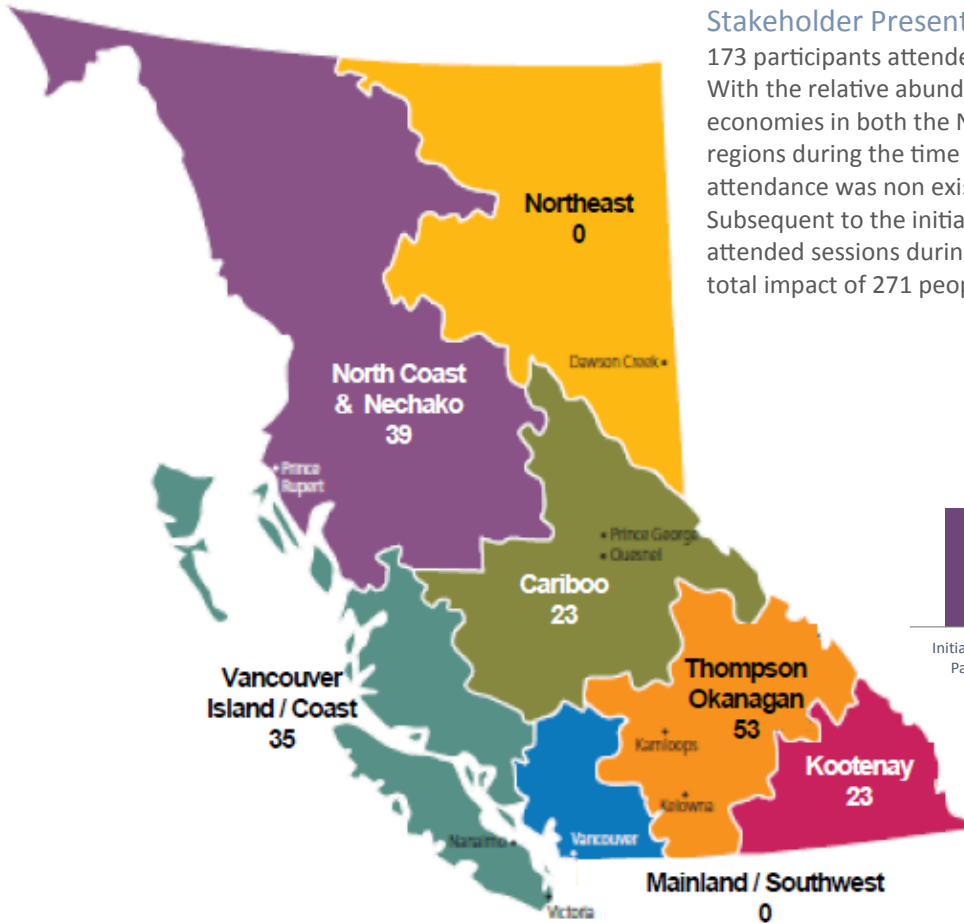
It's also important to not overlook the handful of younger buyers and the few College/University staff who attended workshops. While the younger buyers saw opportunities for themselves, the College/University staff saw potential for their trades graduates to buy local businesses already on the market.

Clearly, workshops are presenting themselves to be a service offering worthy of expansion in an effort to retain businesses and mitigate impacts of demographic shifting.

% Obtaining Value Added Services



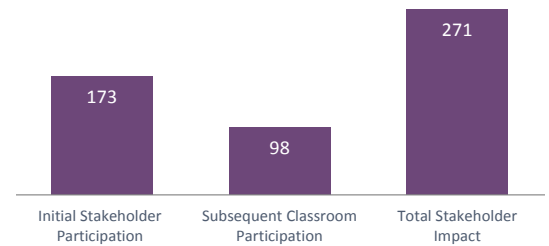
Regional Participation: Stakeholder Presentations



Stakeholder Presentations

173 participants attended initial Stakeholder Presentations. With the relative abundance of youth coupled with strong economies in both the Northeast and Mainland / Southwest regions during the time of the project, it's not surprising that attendance was non-existent at Stakeholder Presentations. Subsequent to the initial participation, another 98 stakeholders attended sessions during the project time period resulting in a total impact of 271 people.

Informed Stakeholders



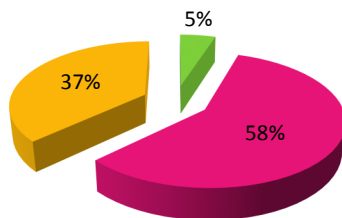
Workshop: Relevance, Quality and Delivery

Relevance, quality and delivery were all key considerations when creating the workshops for the business owner and stakeholder audiences. That said, materials were reviewed after each event throughout the project and modified for improvement. Workshop participants rated their experience very favorably.

Reaching and inviting the target audience is important. This was aided by the work on the ground in each community by personnel from Community Futures, Chambers of Commerce and Economic Development offices in advance of all workshops.

Workshop Information

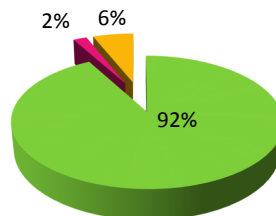
■ Hope it Would Cover More ■ Covered All Expected Areas
■ More Than Expected



Workshop Duration

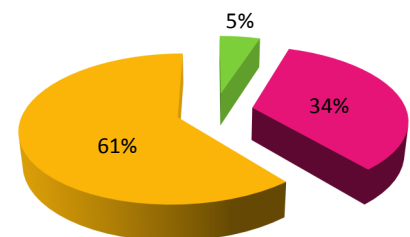
1 - 1.5 Hrs

■ Perfect ■ Too Long ■ Not Long Enough



Workshop Value

■ OK ■ Worthwhile ■ Really Valuable



The resulting testimonials proved we were on the right track in all key elements of workshop from planning to delivery.

BOSS Testimonials

Business Owners were very generous providing their testimonials

- Clear concise information.
- An eye opener
- Thoroughly enjoyed your presentation. Very informative and timing for us was great.
- Impressed with how much is covered in a short session.
- Thank you for helping me to get to this point. I am excited!
- Thanks a lot. This all makes sense and all the back and forth is helping us adjust our expectations and form our "game plan"
- Well done, very informative.
- Great presentation, good information.
- Great notes on takeaways for potential buyers.
- I plan on putting my business on the market in the next 3-6 months and will be going through the planning stages you presented.
- We did find the workshop helpful. It gave us some pointers as to what we need to do to prepare for selling.
- I found the seminar very good. It certainly helped my wife understand the process that is coming.
- The seminar was great and helpful for me personally and my flourishing business.
- Well done!
- It was valuable information and timely for me.
- Good quality. Great support material. I enjoyed your presentation, the information was very enlightening.
- Thanks for the presentation today. Too often we see business owner's short change themselves with not having a proper succession plan in place. We can't stress the importance of having a workable plan in place enough and I think the level of your presentation was well done for a small business owner.
- We've attended presentations on this topic before, but they always end up with companies trying to sell you their services. That's why we were so pleased with all the information in this session.
- Your workshop was great. So much valuable information.
- Your session had a nice balance of practical information and tools along with stories and lessons from other owner's experiences.
- I was super impressed. Every business owner should sit through the BOSS workshop - very valuable.
- "I thoroughly enjoyed the Venture Connect workshop. It was very informative and gave me some great insight into the possible sale of my business. It opened my eyes as what to expect from potential buyers and how to present my business in a professional manner.
- "My husband and I have been self-employed for over forty-two years, we have seen three generations of customers go through our business and have made many friends over those years but one thing we have never really planned for was the day we retired. We had thought one of our sons would take over from us and we could ease our way out and although they have worked alongside of us for 20 plus years they lack the pioneer spirit self-employment requires. "
- "Your Venture Connect Workshop came at a very timely point in our lives. We are now working towards cleaning up and disposing of non-essential items; although my husband is the worlds best hoarder he now understands that new owners would not see the value in keeping duplicate equipment or outdated items. I am now a Kijiji marketer because as they say one man's junk is another man's treasure so I am hoping by selling the surplus items we will be the lean modern business that someone would like to build their lives on. It has taken us many years to get to this point and I know it will take a number of years to finally retire but it is good to know that Community Futures is a resource that we can access to meet our goal."
- The seminar helped to develop my sales plan as it allowed me to "see" what a potential purchaser might be looking for.
- It seems I have lots of reasons to delay selling by a few years at least. Your seminar was great. I will be in touch at some point!
- Next time you are in Vernon, I'd like to chat with you further.
- Thank you and please keep us on your mailing list.
- Thank you Darrell. I found your seminar informative and relevant.
- The best points I took from your seminar was be flexible when selling and targeting a best buyer.
- I was very impressed with your knowledge, direction and step-by-step process.
- I'm very Interested in a Follow-Up Seminar.
- I would like to know if there will be another one coming up in the near future.
- The process is ongoing for me and I have set a time frame.
- I still believe that you should be structuring sales to younger folks who want to relocate to the Sunshine Coast from Vancouver; likely much better long term for the community.
- We have had some success, as we have an offer to purchase on the table and a deposit.
- I sold my third to my business partners and they are in succession planning...a staff member and his wife is taking over the business.
- I did enjoy the workshop that you did last year, it was an eye opener.
- I liked the catch up on available resources, BC and regional handouts.
- Solid information. Good handouts and approachable presenter.
- Informal but informative.
- Easy to follow, interactive.
- Good information.
- if you're in the Canyon please stop so that we can talk!
- I really believe in your program!
- Your program is beyond perfect!
- Thanks for your help, Darrell. Having you in the process has been great and I appreciate your assistance with all of this.
- I am very pleased that Venture Connect provides the service it does for business owners who are trying to sell their business/building.
- I sold my business in February. Retirement is great and I appreciate the information that was given to myself at your workshop. It helped with many questions and directions I was looking at.
- The workshop was very useful.
- What I took away from the workshop is to be flexible, do the work yourself to make the sale (make it easy for buyer) and be creative too.
- My business is not listed, but I am working on the logistics of selling it to the manager I hired 3 years ago.

Succession Landscape

The Project ran during a time when:

- Clients planning to utilize the Provincial Nominee Program were offering business owners full price, and in many cases over asking price offers. In some regions the volume of this activity was so significant it provided many business owners false comfort and unwarranted thoughts that succession planning was or would not be needed.
- The economy in the Northeast region of B.C. was strong with many youth employed in trade positions and our offerings were of little interest. Apparently things have changed as evidenced by an invitation for us to return to the area.
- The Alberta economy was strong but now residents from Calgary, Edmonton, Grande Prairie and Fort McMurray rank amongst the top visitors to the ventureconnect.ca website.

While not specific to the period of the Project:

- Exposure to self-employment isn't promoted as much as it could be through educational channels.

A very worrisome phenomenon throughout the province is the general lack of awareness at the business owner and stakeholder level regarding demographic shifting and the impacts it will continue to cause; very likely rising to a frenetic pace in the not too distant future. This lack of awareness is the Achilles heel of the entire process and could prove a great hindrance to success of business succession.

On the Right Track

Demographic shifting and the real potential for negative economic and social impacts on communities throughout rural B.C. is of significant interest and importance to the project partners; the Province of B.C., Venture Connect and Community Futures. This project agreement therefore was established with the goal to achieve rapid and positive results and that processes providing solid results could be replicated efficiently and cost effectively.

While it's not possible to prove the workshops had direct influence in all sales, the achievements tallied in the time frame of the project are solid.

- 798 people have been impacted by BOSS information and stakeholder presentations
- BOSS trainers referred an additional 89 business owners to Venture Connect for assistance
- 22 businesses sold or are under contract for a sale
- Significantly more business owners will try to sell their business rather than close the business
- 28 succession loans written by Community Futures in BC where our 3 neighbouring provinces of Alberta, Saskatchewan and Manitoba wrote 7, 5 and 3 respectively
- Demand for workshops is being received from all regions of B.C.

Project Legacy

- BOSS and Stakeholder training materials have been tested; are known to achieve solid results and remain available to trainers on the ventureconnect.ca website
- Despite the need for more awareness, the knowledge about succession planning and support services is considerably greater throughout the province
- 14 BOSS Trainers remain, representing all geographic regions with the exception of the Northeast

Recognition

Thank you to:

- the Province of BC and Community Futures BC for their financial contribution and support throughout the project
- Darrell Goertzen for delivering the very well received workshops and presentations and for his dedication to the task and quality at every step
- Community Futures, Chambers of Commerce and Economic Development Officers who provided support to the Project in their communities

Business Owner Succession Strategies (BOSS) Final Report compiled by:

Lori Camire

Executive Director Community Futures Alberni Clayoquot / General Manager Venture Connect
Port Alberni, BC

October, 2015

