



REPORT
ON
DEVELOPING SMALL BUSINESS MANAGEMENT SKILLS
IN BRITISH COLUMBIA

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EXECUTIVE SUMMARY

Small businesses represent a significant part of B.C.'s economy. As of December 31, 2003, there were 359,600 small businesses in B.C., representing 98 percent of all businesses in the province. They account for almost 30 per cent of the province's Gross Domestic Product (GDP), ship approximately \$9.4 billion worth of merchandise to international destination annually and employ close to one million British Columbians.

However, this segment of our economy faces significant challenges. Statistics indicate that more than 80% of new firms fail within their first ten years of operation. Many of these firms fail because their managers lack the experience, know-how, or vision to run their businesses. However, research also indicates that about four in every 10 firms could have avoided failure had they sought help in dealing with their managerial shortcomings.

Previous studies undertaken by the Leadership and Management Development Council of B.C. (LMDC) have revealed that there is a wide range of leadership and management skill development programs, services and resources available in B.C. The primary focus of this initiative has been:

- To explore which types of skill development programs and services offered by small business service providers are being accessed by small business owners;
- To better understand the extent to which these programs and services are meeting the needs of today's entrepreneurs, and
- To identify what small business owners/operators feel are the most effective formats for delivering business management training.

METHODOLOGY

The work undertaken as part of this project included:

- Eight focus group sessions conducted with small business owners and service providers
- Research to identify the types of small business training that are being delivered by small business service delivery agencies in B.C. and to determine which training models have been successful in meeting the skill development needs of small business;
- Research on successful group mentoring projects to determine what features of this model contribute to its popularity and effectiveness.

FINDINGS

The eight focus group sessions that were conducted as part of this initiative involved 139 participants comprised of a mix of small business owners/operators (87% of the participants), as well as representatives from a variety of small business service providers.

The focus group sessions were held in the following communities:

Nelson	Grand Forks,
Penticton	Vernon
Squamish	Smithers

Management Challenges Identified

When asked to identify the most significant challenges entrepreneurs are facing in running their business, the most recurring themes were the following:

- Hiring/training/retaining qualified staff and other human resource management issues
- Managing growth/change
- Integration of technology
- Marketing in a competitive marketplace
- Access to capital and financial management
- Time management
- Dealing with legal / regulatory issues

Types of Training Pursued

Small business owners/operators appear to recognize the need to improve their leadership and management skills and they go about accessing the information they need in a variety of ways. The time they devote to obtaining assistance in dealing with their business challenges is done through the following channels:

- Business management courses offered by Community Futures
- Chamber of Commerce events (Super Host and networking lunches/breakfasts)
- Industry/sector association programs
- On-line workshops/information/tools
- Workshops offered by other agencies such as Tourism BC, Columbia Basin Trust, etc.
- Group mentoring
- One-on-one counseling

Views on the Provision of Skill Development Programming

The following is a summary of the views expressed by the focus group participants regarding skill development programming for entrepreneurs.

1. Entrepreneurs have a need for practical information that can be immediately applied
2. There is a lack of information on available resources
3. The Internet is an effective delivery mechanism for providing business information
4. Government support for training is needed
5. Partnerships between service providers are needed
6. Entrepreneurs have a strong interest in group/peer mentoring models

Recommended Actions

The following recommendations are offered:

1. More effort needs to be devoted to marketing the skill development programs and services that are available to B.C.'s entrepreneurs.
2. Greater collaboration needs to be fostered at the local level between the Chambers of Commerce, Community Futures Development Corporations, and the local community colleges in making entrepreneurial skill development one of their key focus areas.
3. Financial institutions and other agencies involved in providing small businesses with the capital to start or expand their business operations should require that the business plans that are submitted by entrepreneurs include a skill development component for the business owner.
4. Entrepreneurs expressed their appreciation for the Internet as a helpful mechanism for accessing the information they need. Service providers should therefore consider producing web-based programs/services/tools as part of their skill development programming. Also, an on-line directory that would catalogue the various business help-related websites and tools, by category of interest, is needed.
5. More research is needed that would shed light on the benefits that accrue to small business owners who pursue a well-designed skill development strategy.
6. Both the federal and provincial governments need to seriously consider providing small business owners with some form of financial assistance to offset the costs associated with the pursuit of management skill development.
7. More well-organized, high-caliber seminar series that can be delivered in rural communities are needed.
8. More peer mentoring groups should be established in regional centres and rural communities across British Columbia.