



Thunder Bay
Ventures

Community Futures Development Corporation

**2005 Thunder Bay Small
Business Opinion Survey**

June 2005

8th Annual Report
presented by Thunder Bay Ventures

to examine the attitudes of the business community towards specific
issues and developments in the local community.



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EXECUTIVE SUMMARY

The 2005 Thunder Bay Business Opinion Survey was developed to examine the attitudes of the small business community toward the current and future business climate in Thunder Bay, offering insight in areas of concern and possible opportunities for better performance from small business. The survey identifies factors most critical to the development of the City's economy beyond the year 2005 and examines the attitudes of the business community regarding specific issues and developments in the local community. This report represents the findings of the survey, and offers interpretation to the findings when needed. Statistical methodology and practice are used in the study in an effort to eliminate any bias that would provide misleading results.

The presentation format of this report is similar to previous years. Questionnaire development maintained consistency for the purpose of identifying trends and patterns in the small business community. Questionnaire reliability and validity were examined and found to be consistent with generally accepted statistical techniques.

The survey offered notable findings in several key areas:

- (1) 90 percent of respondents expect zero or negative growth in the Thunder Bay economy over the next 12 months, well higher than last year's 77 percent, indicating a worsening sense of pessimism.
- (2) 85 percent of small business owners believe the Charity Casino has had a negative impact on the economy, up 15 percent from last year and 22 percent from 2003, continuing the negative trend.
- (3) Respondents significantly find that the Healthcare and Higher Education sectors have the most optimistic growth potential in Thunder Bay, in contrast to a continued decline in the manufacturing sectors.
- (4) 82 percent of respondents believe the city infrastructure is deteriorating, symptomatic of a struggling economy, and 77 percent find that marginal passenger service to Thunder Bay is affecting economic growth.
- (5) Just over one-third of the small businesses surveyed do not feel secure about the sustainability of their business over the next five years.

When examining the economic condition of Thunder Bay, as seen by the small business owners, some serious concerns surface. Foremost, the results of this survey indicate a high degree of economic pessimism (actually the highest since the survey began). Very little investment direction is offered by the respondents as a sense of conservative decision-making appears to have set in, indicative of recessionary pressure. Further concerns over perceived failing economic initiatives, such as the Charity Casino and a declining manufacturing presence have made existing small business tentative and new small business less likely. Finally, and notably, small business owners do not see any movement away from these trends, which exacerbates the problem. Hope appears to be fading.

RESEARCH OBJECTIVE

Another year has passed and it is again upon us to examine the issues and offer results of the 8th annual Thunder Bay Business Opinion Survey. The objective of the study is to examine the attitudes and behaviours of small business organizations in the Thunder Bay Census Metropolitan Area (CMA). Specifically, the three primary focal points are: (1) to gauge both the attitudes and trends of the small business community with regard to the current and future business climate in Thunder Bay; (2) to identify factors most critical to the development of the City's economy beyond the year 2005, and (3) to examine the attitudes of the business community toward specific issues and developments in the local community. The principal organization driving this survey is Thunder Bay Ventures (TBV); an organization funded by Industry Canada through FedNor, as part of the federal government's Community Futures Development Program. TBV has a mandate to conduct research on issues relevant to community economic development, in addition to providing financing and support to small business. The 2005 annual survey was conducted in April and May of this year.

METHODOLOGY AND RESPONSE

The specific population examined in this study is organizations with less than 30 full-time employees, regardless of revenues. Further, the population is located in the Thunder Bay CMA and has no affiliation with a particular industry sector. Included with the questionnaire was a letter of introduction explaining the purpose of the survey and details of a response incentive. During a three-week response period, 700 surveys were delivered with 128 surveys returned (18.3%), not quite as high of a percentage as last year, although very favourable, and in keeping with the six-year average. Of the 128 responses, all were considered usable.

The survey uses a systematic random sample approach and is delivered through Canada Post. Each survey is addressed to the identified owner of the business. The questionnaire uses a Likert scale (1 to 5) response format (see Appendix A). Respondents are also offered the opportunity to openly express comments regarding Thunder Bay's economy. Eighty two percent of respondents did provide additional feedback on one or more of the open-ended questions. This high open-ended response percentage is somewhat unusual. A random selection of the comments is offered in the report. These responses are simply opinionated comments and do not indicate any statistical significance or trend.

In keeping with accepted statistical practice, an examination of the questionnaire's reliability and numerous validity measures were performed. The inter-item reliability alpha was calculated and found to be inline with acceptable consistency and accuracy thresholds. The research instrument also demonstrates strong internal and external validity. Results provided in this year's survey typify results from previous surveys.

RESPONDENT PROFILE

This section provides some general demographic results to the 2005 survey. Percentage results provided are from those individuals responding to the specific questions. Every respondent did not answer every question, in every case. Respondent characteristics appear to reflect the small business population and are consistent with characteristics exhibited in previous years. Respondents from this year's survey are a bit larger than last year, based on employee size, however years in business, business type; gender and respondent age are consistent with previous results.

Findings associated with business activity show that almost a quarter of respondent firms increased their employment levels last year and 40 percent expect to do the same in this fiscal year. Also, about 65 percent of firms indicated their revenues were higher than last year and that they expect to increase their revenues this year. These findings are generally positive and suggest that two-thirds of the small businesses in Thunder Bay are healthy.

Gender		
	Male	65%
	Female	35%
Years in Business (average)		21 years
Business Type		
	Retail	30%
	Wholesale	1%
	Manufacturing	5%
	Professional services	43%
	Personal services	11%
	Other	10%
Number of Employees		
	Full-time (avg)	7.7
	Part-time (avg)	9.9
Change in Employment Level		
	Increased	23%
	Remained the same	62%
	Decreased	15%
Change in Hiring Expectation		
	Planning to hire	40%
	Planning not to hire	55%

	Planning to layoff	5%
Actual Sales (FY2004)		
	Less than \$25,000	9%
	\$25,000 - \$49,000	8%
	\$50,000 - \$99,999	10%
	\$100,000 - \$249,999	19%
	\$250,000 - \$499,999	13%
	\$500,000 - \$999,999	16%
	\$1 Million - \$5 Million	19%
	Greater than \$5 Million	6%
Increase or Decrease		
	Increase	65%
	Decrease	35%
Expected Sales Increase for FY2005		
	Yes	64%
	No	36%
Stage of Life Cycle for Product		
	Infant	7%
	Growth	40%
	Maturity	46%
	Decline	7%

CURRENT SMALL BUSINESS ISSUES

The “Current Small Business Issues” section is focused on understanding the current posture of small business managers given their previous experiences and future expectations. The mean scores are provided in the following tables. Deviations away from the center (3.00) indicate an area to watch as well as emerging trends in either direction. These results are shaded.

Raising capital and securing business loans appears to be an emerging problematic trend (downward) for small business, although no other evident problems appear consistent. Respondents suggested that the Thunder Bay economic climate and the impact of fuel and energy costs were important to their FY2004 performance and further believe they are very important to the future performance of their firms. They also suggest a recurring importance of advertising and promotion for their performance.

Small business appears ready to invest more in technology over the next 12 months, a finding that is further supported by the business skills found most lacking by respondents. About 34 percent, up from 25 percent last year, believe high technology business skills are

most lacking in their organization, surpassing sales and marketing skills, which have dominated this category for the last three years.

Finally, respondents believe that gasoline and fuel prices will have a negative impact on their business along with the Charity Casino. The casino findings continue to deteriorate and are trending noticeably downward. Small business respondents believe that the casino will have a further negative impact on their business.

(1) Below is a list of problems often encountered by businesses, please indicate the extent to which the following issues have been a problem for your business in the past 12 months.

Significant Problem (1) – Not A Problem (5)

	2005	2004	2003	2002
Increasing wage rates	3.71	3.77	3.90	4.00
Declining sales	3.28	-	-	-
Availability of skilled labour	3.15	3.08	3.36	2.98
Weather conditions	3.70	3.71	4.01	3.94
Raising capital/securing business loans	3.39	3.55	3.77	3.94
Increased competition	3.30	3.28	3.30	3.20
Access to market research	3.93	3.46	4.04	3.85
Government paperwork requirements	2.83	2.90	2.90	3.00
Municipal zoning/building requirements	3.80	3.85	3.88	3.91
Access to advice	3.90	3.75	3.94	3.94

(2) How important were the following factors to your sales performance in the 2004 fiscal year?

Very Important (1) – Not Important (5)

	2005	2004	2003	2002
Inventory price increases	3.31	3.25	3.35	3.10
Advertising/promotion	2.63	2.85	2.94	2.65
General economic climate	2.14	2.27	2.21	1.93
Change in product/service offering	3.51	3.27	3.71	3.22
Staff related issues	3.52	3.25	3.73	3.48
Change in competitive environment	3.19	2.86	3.33	2.88
Weather	3.62	3.65	3.73	3.53
New markets	3.94	4.01	4.09	3.99
Canadian – U.S. exchange rate	3.85	3.59	4.04	3.64
Fuel/energy costs	2.80	2.83	3.05	3.11
Insurance rates	2.48	2.25	-	-

(3) How important do you expect each of the following factors to be for the future success of your business?

Very Important (1) – Not Important (5)

	2005	2004	2003	2002
Inventory price increases	2.86	2.78	2.92	2.71
Advertising/promotion	2.31	2.53	2.77	2.68
General economic climate	1.87	2.04	1.99	1.90
Change in product/service offering	3.04	2.82	3.29	2.91
Staff related issues	3.07	3.02	3.37	3.11
Change in competitive environment	2.69	2.69	2.99	2.57
Weather	3.66	3.61	3.72	3.51
New markets	3.59	3.51	3.77	3.67
Canadian – U.S. exchange rate	3.57	3.21	3.66	3.21
Fuel/energy costs	2.63	2.52	2.98	3.05
Insurance rates	2.39	2.13	-	-
Passport/border regulations	3.76	-	-	-

(4) Is your company planning to invest more or less in the following activities over the next 12 months than in the previous year?

Significantly Less (1) – Significantly More (5)

	2005	2004	2003	2002
Advertising/promotion	3.32	3.33	3.11	3.18
Employee compensation	2.83	2.82	2.75	2.78
Employee recruitment	2.82	2.93	2.64	2.89
Staff training programs	2.92	3.18	3.00	3.18
Partnering with other firms	2.85	2.86	2.70	2.65
Inventory supply	2.74	2.83	2.75	2.61
Capital projects – equipment	2.90	3.03	2.94	2.72
Market research	2.76	2.91	2.77	2.50
Technology	3.23	3.27	3.04	2.99
Consulting/advisory service(s)	2.74	2.79	2.67	2.47

(5) What kind of impact do you believe the following developments/institutions will have upon your business?

Very Negative (1) – Very Positive (5)

	2005	2004	2003	2002
Electricity production	2.94	-	-	-
Box store expansion	2.62	2.63	2.88	2.57
Gasoline/fuel prices	2.20	2.27	-	-
Cross border security	2.91	2.69	-	-
Highway 11/17 – Shabaqua Expressway	3.10	-	-	-

Charity casino	2.21	2.35	2.56	2.60
Lakehead University	3.63	3.62	-	-
Confederation College	3.63	3.62	-	-
Changing tax rates	2.62	2.56	-	-
Pulp and paper industry	2.98	3.19	-	-
Local sawmill production	2.95	3.13	-	-

(6) Business Skills Most Lacking in the Organization

	<i>2005</i>	<i>2004</i>
Sales and Marketing	32%	50%
Finance and Accounting	11%	14%
Inventory and Process Management	12%	8%
High Technology Implementation	34%	25%
Recruitment and Training	11%	3%

THUNDER BAY BUSINESS CLIMATE

The “Thunder Bay Business Climate” section of the survey is presented in an effort to gauge small business’ attitudes toward the current and future business climate and economic growth potential for the Thunder Bay CMA. Specific questions regarding new development and institutions and their impact on the Thunder Bay economy, industry sector growth potential, and the City’s ability to meet the needs of small business are discussed.

Some discouraging findings are offered to begin the discussion. Of the respondents 90 percent believe Thunder Bay will have negative or no economic growth over the next 12 months. This percentage is up from 77 percent last year and indicates a significant pessimistic jump.

Findings also indicate that small business displays little confidence in the “core” industry sectors. These sectors are often considered important to an economy because of the spin-off in economic activity they create. The industry growth potential for primary, secondary and small manufacturing is trending downward suggesting that there is diminishing confidence in these sectors providing a positive impact to the Thunder Bay CMA. To the contrary, findings around Lakehead University’s growth potential appear robust.

Often, small business is asked what they believe brings new people and businesses to Thunder Bay. Results point to healthcare facilities as an enticement (trending higher) and city government and policies as an impediment. And, consistent with previous years, 61 percent of respondents believe the quality of life in Thunder Bay is better than most, although slipping from 71 percent last year and 77 percent two years ago. These results are also supported when examining the results within each group (i.e. students, etc.). This trend is concerning! When asked what defines quality, no statistical themes were evident, which begs the question, “What is quality of life”?

7) Anticipated Economic Growth for Thunder Bay In the Next 12 Months

	<i>2005</i>	<i>2004</i>
Decrease in Economic Growth	61%	41%
No Change in Economic Growth	29%	36%
Increase in Economic Growth	10%	23%

(8) Do you believe the City of Thunder Bay should pursue the focused development of a particular industry sector?

	<i>2005</i>	<i>2004</i>
Yes	78%	78%
No	21%	21%

(9) Thunder Bay's Quality of Life

Very Good (1) - Very Poor (5)

	<i>2005</i>	<i>2004</i>
Students (all ages)	2.56	2.61
Professionals	2.57	2.62
Skilled employees	2.55	2.87
Retirees	2.29	2.48
Business owners	3.07	-

(10) In your opinion, as compared to other cities you are familiar with in Canada, how would you describe Thunder Bay's quality of life?

better than most	26%
the same as most	35%
not as good as most	39%

(11) Evaluate the following Thunder Bay industry sectors in terms of growth potential (e.g., new markets, new products/services).

None (1) – Great (5)

	<i>2005</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>
Primary (logging, mining)	2.55	2.55	2.65	3.05
Secondary (large manufacturing)	2.37	2.43	2.65	2.99
Small manufacturing	2.80	2.80	3.51	3.38
Electricity manufacturing	2.98	-	-	-
Hospitality and tourism	3.42	3.36	3.80	3.82
Primary education	2.70	3.12	3.18	3.74
Healthcare services	3.33	3.44	3.69	3.62

Retailing	2.92	2.90	3.09	3.24
Retirement services	3.52	-	-	-
Financial services	2.93	3.41	3.07	3.08
Higher education	3.82	3.44	3.93	4.10
Technology	3.47	3.38	3.62	3.64

(12) How well does Thunder Bay meet the needs of your specific business with respect to the following factors?

Very Well (1) – Not Very Well (5)

	2005	2004	2003	2002
Labour pool (education, availability, skill)	2.94	3.11	3.00	2.91
Access to raw materials/natural resources	2.85	3.02	3.08	3.21
Weather response	2.87	3.04	2.92	3.01
City's promotional efforts	3.68	3.56	3.55	3.69
Transportation costs (passenger)	3.48	3.54	3.46	3.49
Other transportation costs (shipping)	3.60	3.47	3.62	3.68
City infrastructure (roads, hydro, gas)	3.58	3.65	3.55	3.33
Municipal tax rates	3.81	4.01	3.91	3.92
City council representation/decisions	3.77	3.82	4.52	4.55
Access to financing/capital	3.33	3.40	3.29	3.39
Provincial representation	3.47	-	-	-
Federal representation	3.52	-	-	-

(13) In general, to what extent do you believe the following characteristics impede or entice businesses to relocate to Thunder Bay and the surrounding region?

Significant Impediment (1) – Significant Enticement (5)

	2005	2004	2003	2002
Awareness or region and its resources	3.21	3.02	3.39	3.56
Geographic location	2.44	-	-	-
Weather (perceived or actual)	2.39	2.62	2.60	2.40
Quality of life	3.74	3.67	3.52	3.77
Transportation facilities (airport)	3.18	3.24	3.20	3.45
Healthcare facilities	3.36	3.38	3.20	2.98
Economic opportunity	2.23	2.36	2.42	2.11
Input costs (land, labour, capital)	2.53	-	-	-
Technology infrastructure	2.92	3.00	3.09	3.14
City government/policies	2.14	2.27	1.84	1.91

DEVELOPMENT PROJECTS, SMALL BUSINESS AND THE COMMUNITY

The final section of the report addressed the attitudes of small business toward the local and business communities. Specifically, local business stimulus, current local developments and the performance of city council are examined. One area of concern identified several years ago was the availability and access to capital for small business. The general findings offered here are consistent to previous years.

Of those responding, 35 percent believed that an inability to access capital affected their decision to develop new business initiatives. Furthermore, 67 percent believe the lending practices of banks in Thunder Bay are not focused on meeting the needs of local business, while credit unions fair much better at only 37 percent.

Specific activities in the economy that affect small business tend to change from year to year. This year's survey identified three items of interest, two recurring and one new. When asked about the availability of passenger service to Thunder Bay, 77 percent of respondents believe that marginal service was affecting local economic growth. In addition, 85 percent of those surveyed believe that the Charity Casino is having a negative impact on the Thunder Bay economy, up from 70 percent last year and 63 percent in 2003. This remains a concern for respondents with little relief in sight. Lastly, with regard to Lakehead University, 79 percent of respondents believe they are actively involved in the community.

City council and their impact on small business faired similar to last year and better than in recent years however the results are still rather weak. Twenty percent of small business respondents believe city council is doing a good job representing their business while 32 percent believe they have been proactive toward economic development in the region. This may be a reflection of economic pessimism or an awareness of current initiatives underway. For example, 55 percent of respondents are not aware of the city's current strategic document "New Foundation Plan" and 56 percent are not aware of "Fast Forward Thunder Bay". Concern was also evident around the city's infrastructure, as 82 percent believe it is getting worse, not better.

In a final question, small business respondents were asked about the security and sustainability of their business over the next five years. Of those, 35 percent were not confident in their future as a small business entity in Thunder Bay. This number may not seem high, but is in fact alarming given the average age of the firms in the study (21 years).

(14) Do you believe the Thunder Bay City Council is doing a good job representing your business?

Yes	20
No	80

(15) Do you believe that City Council has been proactive towards economic development and tourism opportunities in the Thunder Bay region?

Yes	32
No	68

(16) Have the administrative requirements of municipal government (zoning, permits, licenses, inspections) adversely affected your decision to develop new business initiatives?

Yes	34
No	66

(17) Do you believe the City's "New Foundation Plan - a living Strategic Plan to Build a Better Future" will lead to increased economic activity within the next 2 years?

Yes	17
No	28
I am not aware of this Strategic Plan	55

(18) Do you believe the lending practices of banks in Thunder Bay are focused on meeting the needs of local business?

Yes	33
No	67

(19) Do you believe the lending practices of credit unions in Thunder Bay are focused on meeting the needs of local business?

Yes	67
No	33

(20) Has an inability to access capital affected your decision to develop new business initiatives?

Yes	35
No	65

(21) Do you believe the city infrastructure (i.e. roads, parks, hydro, water, police/fire services, etc.) is deteriorating ?

Yes	82
No	18

(22) Are you familiar with ?

Yes	44
No	56

(23) Do you believe that marginal passenger service to Thunder Bay is affecting economic growth? (i.e. limited air service, no rail or water service)

Yes	77
No	23

(24) Do you believe Lakehead University is actively involved in bettering the community?

Yes	79
No	21

(25) What impact do you believe the Charity Casino is having on the Thunder Bay economy?

Positive	15
Negative	85

(26) Do you feel secure about the sustainability of your small business over the next five years?

Yes	65
No	35

FURTHER RESPONDENT COMMENTS

Thunder Bay is a beautiful city but due to lack of jobs, we continue to our youth – it's becoming a sad state of affairs... if my children leave due to lack of successful work, when I retire I will go where my children are. I do love Thunder Bay but unless our politicians get their act together, our population will continue to decline!

I told our economic development manager that I would look to move my business; His response was "Do what you need to do". As a city resident being treated so negatively, it shocks me think how others are treated at the doors. Instead of inviting in we are more discouraging at the city level of the development office.

People in Thunder Bay are "clicky", our groups like a small town, however with my service, people can meet each other, whether they live on the Northside or Southside. Thunder Bay and people still portray Thunder Bay as 2 different cities Port Arthur/Fort William. It was like this 15 years ago when I first moved here and hasn't changed. Some of the laws and their effect on the economy must be looked at by business planners and not just council.

If we don't start bringing in new business we will soon be a retirement community.

Thunder Bay needs to be more proactive in recruiting new industry. Local rental rates for office and land space need to be more practical. Council needs to be more active in getting jobs for local youth.

It's very sad when a professional person such as myself with 15 years experience in my field can't get a job! Doctors will not come to Thunder Bay if their spouses can't get decent jobs! And there will never be decent jobs available if city council continues to be walked over by the "not in my backyard" groups. There is SO much potential for this city if someone would just allow large companies to move in. People are sick of call centers and low paying jobs. Wake up Thunder Bay. We will be a ghost town at this rate!!!

Potential abounds that is yet to be realized.

I believe the current state of the economy is very poor. I do not see or hear of any major economic boom coming to Thunder Bay. It appears the only economic surge will be in the intercity retail area. The pulp and paper/lumber industries are in decline, the job market appears to be very poor. The one project we could possibly hope for, the Synfuel plant, which would have a major impact on our economy will never get off the ground due to constant negative opinions and the short sightedness of the Ontario Minister of the Environment, Ms. Leona Dombrowsky.

Thunder Bay's natural resources are deteriorating rapidly and we need to find other ways to bring and keep people here through recreation and tourism. I came from Kelowna B.C. which is growing at an incredible pace due to what they have done with downtown and the waterfront, bringing in the WHL. There is no reason, with the exception of the Gardens

that Thunder Bay couldn't support a team. Thunder Bay has the potential to be a beautiful city but it looks like it's stuck in the 60's. Times are changing and our city planners haven't.

We are getting poorer. Taxes go up, wages are frozen, lots of lost jobs in the paper industry.

Stagnant or declining! We put road blocks in front of possible development i.e. Flying J truck stop, \$500,000 in new taxes, who else can give us the same. Closing of schools, 14 or 17, decline of residential neighbourhoods. INNOVA Park, the most blatant example of POOR investment - \$10 million with no tenants!!! Shelter house to be built 200 meters from the seat of civic business, city hall. We lack a tree replacement and enhancement program. The city planning department, 36-39 employees, one of the biggest impediments to development in this city, as well a huge cost to taxpayers, 3 to 5 weeks to get permits, why?

The city must be more proactive in attracting industry. Pittsburgh, PA reinvented itself in the healthcare sector, faced with closing steel factories. We need to reinvent our city and focus on economic growth.

Why are so many people leaving Thunder Bay? Is it climate, casino, no jobs? Try to find a full-time job with a decent wage. Should you apply at Bowater, the elevators, Bombardier, Beer Store, Casino, Mike's Mart or Tim Horton's? Look around and see who's laid off, not working, can't find a job, closing down.

Sometimes to get things done you have to go out on a limb and take chances. Take the flack when it does not work and then move on to things that do work. Listening to a few special interest groups or people and not listening to your city or yourself will only lead us backwards.

We had one of our worst years ever in retail last year. The whole economy of the city was depressed and no amount of advertising could change the attitude of shoppers. Thunder Bay is a blue-collar town and unfortunately job losses are real and directly and adversely affecting the business community. More must be done to bring in small manufacturing and other jobs to this city or we will see many more business deaths in our community. Big box stores hurt us but a loss of jobs and more money hurt us more.

We do not seem to be growing, the rate of new business formation seems to be declining and older businesses cannot be sold, they are instead just closed – this means they are not even earning their owners enough money to give the businesses value to a potential purchaser. Number of empty storefronts in downtown areas is frighteningly high and in some cases and eyesore.

2005 Thunder Bay Small Business Opinion Survey

The following survey will take a few minutes to complete and your willingness to take the time to share your opinions is greatly appreciated. Specifically, the survey captures the attitudes of Thunder Bay small business owners about issues that affect their business and the local economy. To learn more about this survey please contact the representative at 344-9208.

Section A: You and Your Business

1. Gender: Male Female
2. Your age: _____
3. How many years has this firm been in business? _____
4. Your business is...
 Retail Manufacturing Personal Services
 Wholesale Professional Services Other _____
5. Postal code: _____
6. How many people are currently employed at your firm? Full-time _____ part-time _____
7. What change in the total employment level of your firm occurred during the **2004** fiscal year?
 Increased
 Remained the same
 Decreased
8. What are your current hiring expectations for the next 12 months?
 Planning to hire additional employees
 Planning not to hire any additional employees
 Planning to layoff employees
9. Which of the following best represents your actual sales or billings for the **2004** fiscal year?
 less than \$25,000 \$100,000 - \$249,999 \$1,000,000 - \$5,000,000
 \$25,000 - \$49,999 \$250,000 - \$499,999 greater than \$5,000,000
 \$50,000 - \$99,999 \$500,000 - \$999,999
10. Does this **2004** sales volume represent an increase or decrease over your 2002 sales?
 increase greater than 10%
 increase greater than 0 and less than 10%
 decrease greater than 0 and less than 10%
 decrease greater than 10%
11. Do you anticipate an annual sales increase for the **2005** fiscal year?
 yes
 no

12. Which of the following business skills is most lacking in your organization? (**pick 1 only**)

- sales and marketing
- finance and accounting
- inventory and process management
- high technology implementation
- recruitment and training

13. Below is a list of problems often encountered by businesses, please indicate the extent to which the following issues have been a problem for your business in the past 12 months.

	Significant Problem				Not a Problem
	1	2	3	4	5
a) Increasing wage rates	1	2	3	4	5
b) Declining sales	1	2	3	4	5
c) Availability of skilled employees	1	2	3	4	5
d) Weather conditions	1	2	3	4	5
e) Raising Capital/Securing business loans	1	2	3	4	5
f) Increased competition	1	2	3	4	5
g) Access to market research	1	2	3	4	5
h) Government paperwork requirements	1	2	3	4	5
i) Municipal zoning/building requirements	1	2	3	4	5
j) Access to business advice	1	2	3	4	5

14. How important were the following factors to your sales performance in the **2004** fiscal year?

	Very Important			Not Important	
	1	2	3	4	5
a) Inventory price increases	1	2	3	4	5
b) Advertising/promotion	1	2	3	4	5
c) General economic climate	1	2	3	4	5
d) Change in product/service offering	1	2	3	4	5
e) Staff-related issues (e.g., training)	1	2	3	4	5
f) Change in competitive environment	1	2	3	4	5
g) Weather	1	2	3	4	5
h) New markets (e.g., exports)	1	2	3	4	5
i) Cdn - U.S. exchange rate	1	2	3	4	5
j) Fuel /Energy costs	1	2	3	4	5
k) Insurance rates	1	2	3	4	5

15. At what life cycle stage do you consider your primary product to be in?

- infant stage
- growth stage
- maturity stage
- decline stage

16. How important do you expect each of the following factors to be for the future success of your business?

	Very Important			Not Important	
a) Inventory price increases	1	2	3	4	5
b) Advertising/promotion	1	2	3	4	5
c) General economic climate	1	2	3	4	5
d) Change in product/service offering	1	2	3	4	5
e) Staff-related issues (e.g., training)	1	2	3	4	5
f) Change in competitive environment	1	2	3	4	5
g) Weather	1	2	3	4	5
h) New markets (e.g., exports)	1	2	3	4	5
i) Cdn - U.S. exchange rate	1	2	3	4	5
j) Fuel/Energy costs	1	2	3	4	5
k) Insurance rates	1	2	3	4	5

17. Is your company planning to invest more or less in the following activities over the next 12 months than in the previous year?

	Significantly Less			Significantly More	
a) advertising/promotion	1	2	3	4	5
b) employee compensation	1	2	3	4	5
c) employee recruitment	1	2	3	4	5
d) staff training programs	1	2	3	4	5
e) partnering with other firms	1	2	3	4	5
f) inventory supply	1	2	3	4	5
g) capital projects (e.g., equipment)	1	2	3	4	5
h) market research	1	2	3	4	5
i) technology	1	2	3	4	5
j) consulting/advisory service(s)	1	2	3	4	5

18. What kind of impact do you believe the following developments/institutions will have upon your business?

	Very Negative			Very Positive	
a) Electricity Production	1	2	3	4	5
b) Box Store Expansion	1	2	3	4	5
c) Gasoline/Fuel prices	1	2	3	4	5
d) Cross Border Security	1	2	3	4	5
e) Highway 11/17 –Shabaqua Expressway	1	2	3	4	5
f) Charity Casino	1	2	3	4	5
g) Lakehead University	1	2	3	4	5
h) Confederation College	1	2	3	4	5
i) Changing Tax Rates	1	2	3	4	5
j) Pulp/Paper Industry	1	2	3	4	5
k) Local Sawmill Production	1	2	3	4	5

Section B: Thunder Bay Business Climate

1. What level of economic growth do you anticipate for Thunder Bay over the next 12 months?

Significant Decrease	Moderate Decrease	No Change	Moderate Increase	Significant Increase
1	2	3	4	5

2. Evaluate the following Thunder Bay industry sectors in terms of growth potential (e.g., new markets, new products/services).

	None			Great	
a) Primary (e.g., logging, mining)	1	2	3	4	5
b) Secondary (e.g., large manufacturing)	1	2	3	4	5
c) Small Manufacturing	1	2	3	4	5
d) Electricity Manufacturing	1	2	3	4	5
e) Hospitality/Tourism	1	2	3	4	5
f) Primary Education	1	2	3	4	5
g) Health Care Services	1	2	3	4	5
h) Retailing	1	2	3	4	5
i) Retirement Services	1	2	3	4	5
j) Financial Services	1	2	3	4	5
k) Higher Education, LU/ConCollege/Med School	1	2	3	4	5
l) Technology					

3. Do you believe the City of Thunder Bay should pursue the focused development of a particular industry sector? If yes, which one of those mentioned above, or another?

- yes - _____
 no

4. How well does Thunder Bay meet the needs of your specific business with respect to the following factors?

	Very Well			Not Very Well	
a) Labour pool (education, availability, skill)	1	2	3	4	5
b) Access to raw materials/natural resources	1	2	3	4	5
c) Weather response	1	2	3	4	5
d) City's promotional efforts	1	2	3	4	5
e) Transportation costs (passenger)	1	2	3	4	5
f) Other transportation costs (shipping)	1	2	3	4	5
g) City infrastructure (e.g., roads, hydro, gas)	1	2	3	4	5
h) Municipal tax rates	1	2	3	4	5
i) City Council representation/decisions	1	2	3	4	5
j) Access to financing/capital	1	2	3	4	5
k) Provincial representation	1	2	3	4	5
l) Federal representation	1	2	3	4	5

5. In general, to what extent do you believe the following characteristics impede or entice businesses to relocate to Thunder Bay and the surrounding region?

	Significant Impediment			Significant Enticement	
	1	2	3	4	5
a) Awareness of the region and its resources	1	2	3	4	5
b) Geographic location	1	2	3	4	5
c) Weather (i.e., perceived or actual)	1	2	3	4	5
d) Quality of life	1	2	3	4	5
e) Transportation facilities (e.g., airport)	1	2	3	4	5
f) Health care facilities	1	2	3	4	5
g) Economic opportunity (market size)	1	2	3	4	5
h) Input costs (land, labour, capital)	1	2	3	4	5
i) Technology Infrastructure (e.g., broadband)	1	2	3	4	5
j) City Government/policies	1	2	3	4	5

6. In your opinion, how attractive is Thunder Bay's "quality of life" for these groups?

	Very Good			Very Poor	
	1	2	3	4	5
a) students (all ages)	1	2	3	4	5
b) professionals	1	2	3	4	5
c) skilled employees	1	2	3	4	5
d) retirees	1	2	3	4	5
a) business owners	1	2	3	4	5

7. In your opinion, as compared to other cities you are familiar with in Canada, how would you describe Thunder Bay's quality of life?

- better than most
- the same as most
- not as good as most

8. In your opinion, which variable do you believe most importantly defines quality of life?

- recreational opportunity
- climate
- municipal infrastructure
- educational opportunity
- crime rate
- economic condition
- personal income
- population
- geographic attractiveness
- other _____

Section C: Development Projects, Your Business and the Community

(Why/Why Not responses are optional in the following questions)

1. Do you believe the Thunder Bay City Council is doing a good job representing your business?

- yes
- no

Why/Why Not? _____

2. Do you believe that City Council has been proactive towards economic development and tourism opportunities in the Thunder Bay region?

- yes
- no

Why/Why Not? _____

3. Have the administrative requirements of municipal government (zoning, permits, licenses, inspections) adversely affected your decision to develop new business initiatives?

- yes
- no

Why/Why Not? _____

4. Do you believe the City's "New Foundation Plan - a living Strategic Plan to Build a Better Future" will lead to increased economic activity within the next 2 years?

- yes
- no
- I am not aware of this Strategic Plan

Why/Why Not? _____

5. Do you believe the lending practices of banks in Thunder Bay are focused on meeting the needs of local business?

- yes
- no

Why/Why Not? _____

6. Do you believe the lending practices of credit unions in Thunder Bay are focused on meeting the needs of local business?

- yes
- no

Why/Why Not? _____

7. Has an inability to access capital affected your decision to develop new business initiatives?

- yes
- no

Why/Why Not? _____

8. Do you believe the city infrastructure (i.e. roads, parks, hydro, water, police/fire services, etc.) is deteriorating?

- yes
- no

Why/Why Not? _____

9. Are you familiar with ?

- yes
- no

10. Do you believe that marginal passenger service to Thunder Bay is affecting economic growth? (i.e. limited air service, no rail or water service)

- yes
- no

Why/Why Not? _____

11. Do you believe Lakehead University is actively involved in bettering the community?

- yes
- no

Why/Why Not? _____

12. What impact do you believe the Charity Casino is having on the Thunder Bay economy?

- positive
- negative

Why/Why Not? _____

13. Do you feel secure about the sustainability of your small business over the next five years?

- yes
- no

Why/Why Not? _____

In the space provided below, please indicate your thoughts on the current state of the Thunder Bay economy. Please use examples if possible

Thank You!