



Thunder Bay Ventures

Community Futures Development Corporation

2003 Thunder Bay Ventures Business Opinion Survey

June, 2003

6th Annual Report presented by Thunder Bay Ventures

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

With assistance from Thunder Bay Chamber of Commerce.



Executive Summary

The 2003 Thunder Bay Business Opinion Survey was developed to gauge the attitudes of the small business community towards the current and future business climate in Thunder Bay. The survey identifies factors most critical to the development of the City's economy beyond the year 2003, and finally, examines the attitudes of the business community towards 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 the previous reports. 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) 98 percent of the respondents expect to maintain or increase their employment levels over the next 12 months; while 60 percent of the survey respondents enjoyed an increase in FY 2002 revenues, consistent with last year's findings.
- (2) 78 percent of respondents expect zero or negative growth in the Thunder Bay economy over the next 12 months, indicating a continued sense of pessimism.
- (3) Respondents significantly find Higher Education (highest), Tourism/Hospitality, and Healthcare industry sectors as having the fastest growth potential in Thunder Bay. This is the sixth year in a row that Tourism/Hospitality has been ranked in the top two sectors.
- (4) 95 percent of respondents believe that the Thunder Bay City Council is not doing a good job representing their small business, up from 86 percent last year, and approximately 82 percent believe City Council does not make economic development and tourism a legislative priority.

Responses for the 2003 Business Opinion Survey remain consistent to results found over the last several years. A sustained pessimism toward the economic health of Thunder Bay remains strong, appearing to cause conservative short-term decision-making by small business managers. However, hiring and revenue expectations remain optimistic. Small business continues to be uncertain about the future waiting for clear indicators of future economic activity and the competitive environment.

Many small businesses appear concerned with natural gas and insurance rates. These are large operational expenditures for smaller firms, creating a volatile business environment. It is suspected that concerns over hydro rates would fair the same. The higher education industry sector continues to have the largest growth potential, most likely fueled by the Medical School. Conversely, the economic impact of the Charity Casino continues to deteriorate as an increased number of respondents indicate their businesses have been negatively affected.

Finally, the negative responses toward City Council's performance remain a glaring result of this survey. Response trends are worsening indicating small businesses' disapproval of City Council performance.

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Research Objective

The purpose of this study is to examine the attitudes and behaviours of small business organizations in the Thunder Bay Census Metropolitan Area (CMA). Specifically, the three objectives are: (1) to gauge both the attitudes and trends of the small business community regarding 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 2003, and (3) to examine the attitudes of the business community toward specific issues and developments in the local community. The study is conducted under the auspices of Thunder Bay Ventures, an organization funded by Industry Canada through FedNor, as part of the federal government's Community Futures Development Program and has a mandate to conduct research on issues relevant to community economic development, in addition to providing financing and support to small business. A similar survey has been done for the past five years and results from these earlier studies will be referred to in this report, as warranted. The 2003 annual survey was conducted in June 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, 500 surveys were delivered with 92 surveys returned (18.4 percent), a higher return rate than last year, however inline with the five-year average. Previous response rates have ranged between 14 and 25 percent. Of the 92 responses, only one survey was deemed inappropriate and unusable, providing a net response of 91 questionnaires. The similar response rate indicates that the delivery and selected sample are consistent with previous years.

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 has 117 independent variables and primarily 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-four percent of respondents did provide additional feedback on one or more of the open-ended questions in Section C. 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. A reliability alpha (Cronbach) was calculated at 75.8 percent indicating that consistency and stability of the measurement scoring scale exists. Typically, a percentage above 70 is considered acceptable for exploratory research. The research instrument also demonstrates strong face, construct, and content validity. Validity measures are qualitative, not quantitative and therefore more difficult to ascertain. However, the questions in this instrument are very similar or the same to those used in the previous years, thus providing additional confidence.

Respondent Profile

This section provides some general demographic results to the 2003 survey. The variable totals may not equal 100 percent (91 responses) due to omission of some answers by the respondents. The average age of the respondent was 46.2, (youngest 22, oldest 75). Firms have been in business an average of 21.2 years, ranging from 1 year to 105 years. Also, the average size of the small business respondents is 7.7 full-time employees and 8.3 part-time employees. These general demographic results are in keeping with the target population under examination and extremely close to previous results of this study.

OTHER DEMOGRAPHIC RESULTS

	<i>(n)</i>	<i>percentage</i>
Gender		
Male	55	60
Female	35	40
Primary Business Format		
Retail	30	33
Wholesale	4	4
Manufacturing	9	10
Professional Services	27	30
Personal Services	9	10
Other	11	13
2002 Fiscal Year Income		
less than \$25,000	15	17
\$25,000 - \$49,999	8	9
\$50,000 - \$99,999	3	3
\$100,000 - \$249,999	9	10
\$250,000 - \$499,000	10	11
\$500,000 - \$999,999	15	17
\$1,000,000 - \$5,000,000	19	22
greater than \$5,000,000	8	9
Change in Sales Volume, 2001 to 2002		
Increase greater than or equal to 10%	19	21
Increase greater than 0 and less than 10%	35	39
Decrease greater than 0 and less than 10%	24	27
Decrease greater than or equal to 10%	12	13

The demographic results confirm an appropriate dispersion for the targeted population. A cross-section of Thunder Bay small businesses is represented (geographic, employee size, revenue size and format). Retailers and professional service firms again dominate the respondents, indicative of the population in question. In keeping with last year's results, 60 percent of respondents made more money in FY 2002 than in their previous year.

Current Small Business Attitudes

Manager's aspirations and expectations often shape their future business decision-making. The "Current Small Business Attitudes" section is focused on understanding the current posture of small business managers given their previous experiences and future expectations.

Similar to previous years, there again seems to be no one significant business problem evident for small businesses in Thunder Bay. Two factors associated with sales performance in FY 2002 are found to be important: Thunder Bay economic climate and advertising and promotion. Results are consistent with last year's survey, although the importance has lessened slightly. Examining these variables in a context of future business success, no noticeable difference exists from last year's findings. Concern over the future economic climate of Thunder Bay still dominates.

Investment expectations are a key indicator for evaluating managers' current attitudes toward the business environment. Findings suggest that small business managers in the Thunder Bay CMA will be investing most in advertising/promotion, and technology. These findings are consistent to previous years. However, there shows an increased favour toward capital project investment. This is probably due to the decreased cost of money (favourable interest rates). The least anticipated investments will be in employee recruitment and consulting and advisory services. It continues to appear that managers are seeking the most return given the dollars spent, primarily in the short and medium term.

Small business managers were also asked how specific developments and institutions in Thunder Bay have impacted their business. Although no real positive development or institution stands out, two negative developments seem to concern small businesses. They are natural gas prices and insurance rates. These are indicative of common small business concerns and are significantly strong here. Also worth noting, the Charity Casino continues to be a concern for small business, trending further downward from last year, while big box store entrance seems to be less of a concern this year than in previous years.

Finally, 98 percent of small businesses in the CMA expect to maintain or increase their current employment levels in the next 12 months. The same question was asked in last year's survey. Ninety-seven percent indicated they would maintain or increase employment levels, and in fact, 93 percent acted according to their responded intentions, a positive indication.

Problems often Encountered by Small Business during the Last 12 Months Significant Problem (1) - Not a Problem (5)

	<i>2003 mean</i>	<i>2002 mean</i>
Wage rates	3.90	4.00
Inventory control	4.17	3.99
Availability of skilled employees	3.36	2.98
Weather conditions	4.01	3.94
Raising Capital/Securing business loans	3.77	3.94
Increased competition	3.30	3.20
Access to market research	4.04	3.85
Government paperwork requirements	2.90	3.00
Municipal zoning/building requirements	3.88	3.91
Access to business advice	3.94	3.94

Factor Importance as Associated with 2002 Sales Performance
Very Important (1) - Not Important (5)

	<i>2003 mean</i>	<i>2002 mean</i>
Inventory price increases	3.35	3.10
Advertising/promotion	2.94	2.65
General economic climate	2.21	1.93
Change in product/service offering	3.71	3.22
Staff-related issues (e.g., training)	3.73	3.48
Change in competitive environment	3.33	2.88
Weather	3.73	3.53
New markets (e.g., exports)	4.09	3.99
Cdn - U.S. exchange rate	4.04	3.64
Fuel costs	3.05	3.11
Internet/Web development	3.67	3.64

Factor Importance as Associated with Future Success
Very Important (1) - Not Important (5)

	<i>2003 mean</i>	<i>2002 mean</i>
Inventory price increases	2.92	2.71
Advertising/promotion	2.77	2.68
General economic climate	1.99	1.90
Change in product/service offering	3.29	2.91
Staff-related issues (e.g., training)	3.37	3.11
Change in competitive environment	2.99	2.57
Weather	3.72	3.51
New markets (e.g., exports)	3.77	3.67
Cdn - U.S. exchange rate	3.66	3.21
Fuel costs	2.98	3.05
Internet/Web development	3.46	3.12

Investment Expectations in the Next 12 Months
Significantly Less (1) - Significantly More (5)

	<i>2003 mean</i>	<i>2002 mean</i>
Advertising/promotion	3.11	3.18
Employee compensation	2.75	2.78
Employee recruitment	2.64	2.89
Staff training programs	3.00	3.18
Partnering with other firms	2.70	2.65
Inventory supply	2.75	2.61
Capital projects (e.g, equipment)	2.94	2.72
Market research	2.77	2.50
Technology	3.04	2.99
Consulting/advisory service(s)	2.67	2.47

Impact of Developments/Institutions on Your Business
Very Negative (1) - Very Positive (5)

	<i>2003 mean</i>	<i>2002 mean</i>
Medical School at LU	3.68	3.99
Box store development (e.g., Home Depot)	2.88	2.57
Insurance Rates	2.25	N/A
Cruise ship visits	3.05	3.14
Waterfront development	3.32	3.64
Charity Casino	2.56	2.60
Advanced Technology & Communication Centre at LU	3.39	3.48
Emerging Local Energy Industry	3.49	N/A
INNOVA Park	3.09	3.24
Natural Gas Prices	2.28	N/A

Employment Levels

	<i>(n)</i>	<i>percentage</i>
Change in employment level fiscal year 2002		
Increased	23	26
Remained the same	58	67
Decreased	6	7
Expected change in employment level, next 12 months		
Planning to hire additional employees	18	21
Planning not to hire any additional employees	67	77
Planning to layoff employees	2	2

Thunder Bay Business Climate

The intent of this section is to focus on the current and future business climate and economic growth potential for the Thunder Bay CMA. Small businesses are asked specifically about 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.

The survey indicates that 78 percent of respondents expect zero or negative growth in the Thunder Bay economy over the next 12 months, indicating a strong sense of pessimism, this is up one percent from last year. The small business respondents also believe the Medical School at LU, Waterfront Development and to a lesser degree, an emerging local energy industry, will add to the local economy's performance. The Charity Casino continues to be viewed as having the most detrimental impact on Thunder Bay's economy, trending more negatively, year by year. Along with that, respondents show great concern over natural gas prices and their negative affect on the local economy. One interesting finding, big box stores have gained support, trending more positively than in previous years. Industry sectors appearing to have the most confidence from respondents regarding future growth in Thunder Bay are higher education, and, hospitality and tourism, consistent with last year's findings. Healthcare is also maintaining a consistent

expectation for impact. Positive trends are seen in small manufacturing and construction. Conversely, negative trends are noticed in larger primary and secondary manufacturing. Also noteworthy here is the significant decrease in the future expectations of primary education on the Thunder Bay economy. The expected impact has dropped significantly since last year.

Small business managers were also asked how well Thunder Bay meets the needs of their business. Responses indicate that again City Council representation and municipal tax rates are the two largest concerns. The city’s promotional efforts have moved positively, while weather response needs and the local labour pool needs continue to be met well.

It is somewhat encouraging to note that 57 percent of the respondents believe their business will have a revenue increase in FY 2003; however this has dropped two percent since last year. One interesting follow-up, last year 59 percent of the small businesses anticipated an FY 2002 revenue increase, while in fact 61 percent actually had a revenue increase in FY 2002, as found in this year’s result. These numbers have been consistent over the years and demonstrate strong support for the confidence of the findings.

Finally, when asked about the business skills most lacking within the organization, sales and marketing were again found to be the highest at 48 percent, this doubles the findings of 24 percent last year. This is a dramatic increase. Further discussion may be warranted as to how this inequity of sales and marketing skills can be met in the future.

**Anticipated Economic Growth for Thunder Bay
In the Next 12 Months**

	<i>(n)</i>	<i>percentage</i>
Decrease in Economic Growth	29	32
No Change in Economic Growth	41	46
Increase in Economic Growth	20	22

Impact of Developments/Institutions on Thunder Bay Economy
Very Negative (1) - Very Positive (5)

	<i>2003 mean</i>	<i>2002 mean</i>
Medical School at LU	4.51	4.59
Box store development (e.g., Home Depot)	3.37	2.95
Insurance Rates	2.13	N/A
Cruise ship visits	3.82	4.10
Waterfront development	4.11	4.10
Charity Casino	2.85	2.93
Advance Technology & Communication Centre at LU	3.99	4.12
Emerging local energy industry	4.01	4.09
INNOVA Park	3.47	3.53
Natural Gas Prices	2.09	N/A

**Future Industry Sector Growth
None (1) – Great (5)**

	<i>2003 mean</i>	<i>2002 mean</i>
Primary (e.g., logging, mining)	2.65	3.05
Secondary (e.g., large manufacturing)	2.65	2.99
Small manufacturing	3.51	3.38
Construction	3.14	2.81
Hospitality/tourism	3.80	3.82
Primary Education	3.18	3.74
Health Care	3.69	3.62
Retailing	3.09	3.24
Technology	3.62	3.64
Financial Services	3.07	3.08
Higher Education LU/Confederation	3.93	4.10

**Thunder Bay Meeting the Needs of Your Business
Very Well (1) - Very Poor (5)**

	<i>2003 mean</i>	<i>2002 mean</i>
Labour pool (education, availability, skill)	3.00	2.91
Access to raw materials/natural resources	3.08	3.21
Weather response	2.92	3.01
City's promotional efforts	3.55	3.69
Transportation costs (passenger)	3.46	3.49
Other transportation costs (shipping)	3.62	3.68
City infrastructure (e.g., roads, hydro, gas)	3.55	3.33
Municipal tax rates	3.91	3.92
City Council representation/decisions	4.52	4.55
Access to financing/capital	3.29	3.39

Anticipated Annual Sales Increase for the 2003 Fiscal Year

	<i>(n)</i>	<i>percentage</i>
Yes	50	57
No	38	43

Business Skills Most Lacking in the Organization

	<i>(n)</i>	<i>percentage</i>
Sales and Marketing	41	48
Finance and Accounting	10	12
Inventory and Process Management	2	2
High Technology Implementation	16	19
Recruitment and Training	16	19

Development Projects, Small Business and the Community

The final section of the report addresses the attitudes of small business toward the local and business communities. A focus is made on Thunder Bay's attractiveness as a community, local business stimulus, and the performance of City Council.

Small business continues to generally believe that Thunder Bay quality of life is as good as or better than any other place in Canada (79 percent), with retirees enjoying the best quality of life. Specifically, respondents find that recreational opportunities, and a general awareness of the region and its quality of life are key variables in enticing people to relocate to the Thunder Bay region. In contrast, respondents believe city government, distance from major metropolitan areas and economic opportunity are key impediments for relocation. These findings are similar to previous years.

An analysis of the Thunder Bay City Council is made again this year. Respondents clearly (95 percent) believe that City Council is not doing a good job representing their business. Surprisingly, this number is up from 86 percent last year and 74 percent in 2001. Furthermore, respondents overwhelmingly believe (82 percent) that City Council does not make economic development and tourism a legislative priority, and 91 percent believe City Council does not understand its role in governing. Findings surrounding the City Council's performance are clearly the most statistically significant of this study.

The impact of the Charity Casino on Thunder Bay continues to be a point of concern with small business. Sixty-three percent of respondents believe the Charity Casino has negatively impacted the Thunder Bay economy. In addition, 84 percent of respondents feel the disbursement of revenues generated by the Charity Casino is not made clear to the general Thunder Bay public.

Another area of concern for small business has been access to capital and the lending practice of local banks. Respondents believe (69 percent) that local banks are not focused on meeting the needs of local businesses, this number is up nine percent from last year. Although this percentage is up, 29 percent believe that an inability to access capital has affected the decision to develop new business initiatives; this is down 8 percent from last year.

Finally, here are some general findings of interest. The majority of respondents continue to believe that Lakehead University and Confederation College are positively involved with local businesses (76 percent). Respondents also appear to favourably support the recent tax incentive zone initiative (64 percent). Small businesses are comfortable with the current technological infrastructure in Thunder Bay. In keeping with previous years, the final question of the survey asks respondents their familiarity with Fast Forward Thunder Bay, 53 percent answered they were aware of the initiative, as compared to 36 percent last year.

	<i>(n)</i>	<i>percentage</i>
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	39	45
Same as most	30	34
Not as good as most	18	21

	<i>(n)</i>	<i>percentage</i>
Do you believe the Thunder Bay City Council is doing a good job representing your business?		
Yes	4	5
No	84	95
Do you believe that a priority of City Council has been on economic development and tourism opportunities in the Thunder Bay region?		
Yes	16	18
No	73	82
Do you believe that City Council understands their role in governing the city and its best interests?		
Yes	8	9
No	81	91
Have the administrative facilities of municipal government (zoning, permits, licenses, inspections) adversely affected your decision to develop new business initiatives?		
Yes	30	36
No	54	64
Do you believe the lending practices of banks in Thunder Bay are focused on meeting the needs of local businesses?		
Yes	27	31
No	60	69
Has an inability to access capital affected your decision to develop new business initiatives?		
Yes	25	29
No	62	71
Do you believe that Higher Education Institutions (Confederation College, Lakehead University) are positively involved with local businesses?		
Yes	64	76
No	20	24
Do you believe the technological infrastructure (fiber optics, broadband, cellular towers) in Thunder Bay can support emerging high-tech firms in the region?		
Yes	58	72
No	23	28
Do you believe that the recent provincial government announcement of tax Incentive zones will be positive for your business?		
Yes	52	64
No	29	36

	<i>(n)</i>	<i>percentage</i>
Do you believe the Charity Casino has negatively impacted the Thunder Bay economy?		
Yes	54	63
No	32	37
Do you believe the disbursement of revenues generated by the Charity Casino is made clear to the general Thunder Bay public?		
Yes	14	16
No	75	84
Are you familiar with Fast Forward Thunder Bay?		
Yes	46	53
No	41	47

**Thunder Bay's Quality of Life
Very Good (1) - Very Poor (5)**

	<i>mean</i>
Students (all ages)	2.88
Professionals	2.78
Skilled Employees	2.80
Retirees	2.36

**Characteristics Impeding or Enticing People to relocate to Thunder Bay
Significant Impediment (1) - Significant Enticement (5)**

	<i>2003 mean</i>	<i>2002 mean</i>
Awareness of the region and its resources	3.39	3.56
Distance from major metropolitan areas	1.83	2.08
Weather (i.e., perceived or actual)	2.60	2.40
Quality of life	3.52	3.77
Transportation facilities (e.g., airport)	3.20	3.45
Health care facilities	3.20	2.98
Economic opportunity	2.42	2.11
Recreational opportunity	4.01	3.87
Technology Infrastructure (e.g., broadband)	3.09	3.14
City Government/policies	1.84	1.91

Further Respondent Comments on the Thunder Bay Economy

“The state of the economy I feel is stagnant. Young people are leaving this city at an alarming rate. Why don’t you survey LU grads and find out where they are getting jobs. Most of them leave. It’s really too bad because once they leave it is difficult to get them back. Unions have also given T.Bay a very bad name”.

“Thunder Bay’s economy is in the minds of the population. If a healthy positive attitude prevails, the economy will develop. When people in the community want to work hard and make the place prosper, but are stepped on, why bother. I have personal experience. I have energy, drive, ideas, skills, but I am beginning to shut all that down because of Thunder Bay’s regressive policies”.

“I believe Thunder Bay has great potential to be a positive booming economy surrounding tourism if every proposal to develop was not stone walled or turned down by different city offices”.

“We are downsizing in heavy industry but have not adapted to the change. Strong union activity deters development of new business. Lack of vision on city council does not help either”.

“Our economy continues to be dominated by resource- based industries. Our geographic location continues to be a structural weakness that will not change. The best we can hope for is strategic diversification within narrowly defined fields related to traditional industries of the north (mining, paper, lumber). Looking for diversification in non-traditional areas (i.e. medical technology) is pointless because it is not sustainable as is well-intentioned but misdirected programs aimed at business creation for disadvantaged sections of the population”.

“I wish the city council was more concerned in distributing more development across the city and not concentrating it all in the intercity area. It’s a shame that we let the older areas go to decline in favor of a zone that looked better if left in it’s natural state which gives some charm to the city. Older areas that are neglected in time become an eye sore and are a drain on the tax payers pockets”.

“Currently, I am concerned for the current economic state. The opportunities in this area could be very numerous although no one can make any decisions to push forward and take risks. We have a great city with great natural resources and potential for industry is unbelievable. We need the right investors and business to reach our potential”.

“There seems to be a lot of potential, but the city is ugly. You make this city an attractive place to live in (i.e. more trees, more well kept parks, etc.) and people will be encouraged to re-locate here and bring their business here. Remain a non-progressive city and just watch us continue to shrink”.

“I personally feel that the current economy is great for my business. I service all ages and income brackets. Hopefully this will continue and I can hire staff. It would be nice to see

something done regarding youth and professional migration, but what can be done? I am not sure”.

“Softwood lumber tax is a big negative impact...Royal Bank-commercially speaking is downsizing obviously since they want to reduce their risk in this area, which acts as a catalyst of “doom/gloom” attitude...Current exchange rate adversely affecting our exporting customers...City council needs a major overhaul and become non-dysfunctional in order to get things done to ensure future success of this city”.

“Municipal government is probably the biggest problem with growth in our local economy. This council and to a lesser degree past councils have had a negative impact – this discourages new development/growth”.

“It’s alright to conduct these forums. Many similar initiatives have been done. Somehow the action part gets over looked/not implemented”.

“I believe Thunder Bay is somewhat surprised. We rely heavily on mills, logging, trucking, etc. These areas are not being looked after by government”.

“Bad, bad, bad! It is a shame to see some businesses like Bailey’s after 20 yrs. being shutdown. People losing their homes from spending money at the casino, students spending OSAP. Please get rid of the Casino”.

“I have 5 children, 3 have left home to seek jobs in Southern Ontario. Up until 5 years ago, I had high hopes for our city. Now I see a city in negative growth, higher aboriginal numbers, less spending on high-ticket items. I have lost faith in our city as a viable place to live out the rest of my life. I am very sad”!

Appendix A

2003 Thunder Bay 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 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. Business Format: Retail (Primary) Wholesale Manufacturing Professional Services Personal 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 **2002** 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 **2002** 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 **2002** sales volume represent an increase or decrease over your 2001 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 **2003** fiscal year?
 yes
 no

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

- 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	
a) Wage rates	1	2	3	4	5
b) Inventory control	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 **2002** fiscal year?

	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 costs	1	2	3	4	5
k) Internet/Web development	1	2	3	4	5

15. 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 costs	1	2	3	4	5
k) Internet/Web development	1	2	3	4	5

16. 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

17. What kind of impact will the following developments/institutions have upon your business?

	Very Negative			Very Positive	
a) Medical School (LU)	1	2	3	4	5
b) Box Store entrance (e.g., Home Depot)	1	2	3	4	5
c) Insurance Rates	1	2	3	4	5
d) Cruise Ships visits	1	2	3	4	5
e) Waterfront Development	1	2	3	4	5
f) Charity Casino	1	2	3	4	5
g) Advance Technology & Communication Centre at LU (ATAC)	1	2	3	4	5
h) Emerging Local Energy Industry	1	2	3	4	5
i) INNOVA Park	1	2	3	4	5
j) Natural Gas prices	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 Increase		No Change		Significant Decrease
1	2	3	4	5

2. What kind of impact do you believe each of the following developments/institutions will have on Thunder Bay's economy?

	Very Negative				Very Positive
	1	2	3	4	5
a) Medical School (LU)	1	2	3	4	5
b) Box store entrance (e.g., Home Depot)	1	2	3	4	5
c) Insurance Rates	1	2	3	4	5
d) Cruise Ship visits	1	2	3	4	5
e) Waterfront development	1	2	3	4	5
f) Charity Casino	1	2	3	4	5
g) Advance Technology & Communication Centre at LU (ATAC)	1	2	3	4	5
h) Emerging Local Energy Industry	1	2	3	4	5
i) INNOVA Park	1	2	3	4	5
j) Natural Gas prices	1	2	3	4	5

3. 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

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

	None				Great
	1	2	3	4	5
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) Construction	1	2	3	4	5
e) Hospitality/tourism	1	2	3	4	5
f) Primary Education	1	2	3	4	5
g) Health Care	1	2	3	4	5
h) Retailing	1	2	3	4	5
i) Technology	1	2	3	4	5
j) Financial Services	1	2	3	4	5
k) Higher Education, LU/Confederation College	1	2	3	4	5

5. 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

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

	Significant Impediment			Significant Enticement	
a) Awareness of the region and its resources	1	2	3	4	5
b) Distance from major metropolitan areas	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	1	2	3	4	5
h) Recreational opportunity	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

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

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 a priority of City Council has been on economic development and tourism opportunities in the Thunder Bay region?

- yes
- no

Why/Why Not? _____

3. Do you believe that City Council understands their role in governing the city and its best interests?

- yes
- no

Why/Why Not? _____

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

- yes
- no

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

- yes
- no

Why/Why Not? _____

7. Do you believe that Higher Education Institutions (Confederation College\Lakehead University) are positively involved with local businesses?

- yes
- no

Why/Why Not? _____

8. Do you believe the technological infrastructure (fiber optics, broadband, cellular towers) in Thunder Bay can support emerging high-tech firms in the region?

- yes
- no

Why/Why Not? _____

9. Do you believe that the recent provincial government announcement of tax incentive zones will be positive for your business?

- yes
- no

Why/Why Not? _____

10. Do you believe the Charity Casino has negatively impacted the Thunder Bay economy?

- yes
- no

11. Do you believe the disbursement of revenues generated by the Charity Casino is made clear to the general Thunder Bay public?

- yes
- no

12. Are you familiar with **FAST FORWARD**  ?

- yes
- no

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!