



# SMALL BUSINESS BC **ANNUAL REPORT** 2017-2018

# MESSAGE FROM THE CHAIR



I am pleased to present the Small Business BC Annual Report for 2017- 2018.

Since our last Annual Report the landscape for small business has undergone more change than in recent memory. Swift shifts in trade have impacted thousands of small business owners in an area that has long been the cornerstone of our provincial economy.

The upside? I sincerely believe that change brings community together and promotes resiliency. Small Business BC is an integral part of the small business community and one that is committed to the province-wide focus of building a strong, sustainable, innovative economy that works for everyone.

As Chair of Small Business BC, I am proud of what this organization represents. We have a new and progressive vision for the future with programs and deliverables that will support our stakeholders through all stages of their entrepreneurial journey.

Small Business BC undertakes important work in the areas of programming, education and skills advancement ensuring more small businesses in our province thrive and prosper.

I commend them for their work and look forward to the year ahead.

Sincerely,

A handwritten signature in black ink, reading 'Katie Dunsworth-Reiach'. The signature is fluid and cursive, with the first name 'Katie' being more prominent.

**Katie Dunsworth-Reiach**

Chair of the Board  
Small Business BC



# MESSAGE FROM THE CEO

Small Business BC experienced another year of strong growth and success in 2017-18. For nine years in a row SBBC has continued to expand its reach and impact with an ever-increasing range of programs and services delivered across the province of BC.

As the premier knowledge resource for small businesses and entrepreneurs across the province, SBBC has maintained its leading position as the top-of-mind provider of products and services designed to help small businesses succeed.

To achieve this outcome SBBC has maintained an active effort to expand the resources available for the community, growing its self generated revenues by an impressive 21% per year over the past nine years.

In 2017-18, SBBC focused on expanding its partnerships and special projects with organizations across BC. Here are a few examples:

- **Northern Development Initiative Trust (NDIT)** – a partnership designed to enhance availability and access to free small business education in Northern BC; exclusive to Love Northern BC, Supply Chain Connector and Community Futures clients (within the NDIT catchment).
- **LNG Canada** – a partnership to support business education and events for companies in North West BC.
- **Canada-B.C. Job Grant (CJG)** – a partnership with the Ministry of Jobs, Trade and Technology to provide grant advisory services resulting in over \$1.5M in government contributions to assist small business employers with their training needs over two years.
- **Export Navigator Program** – a partnership with the Province of BC to administer and support a pilot program aimed at increasing the export capability of small businesses in six communities across B.C.
- **Wildfire Response** – a partnership with the Province of British Columbia, CPABC + Benchmark Law to provide small businesses impacted by wildfires with information and support needed to address business disruption.

SBBC also maintained an active events program across the province with the first ever Small Business Summit, MyBizDay events and an expanded SBBC Awards program. This year, for the first time ever, we nested the Small Business Roundtable's Open for Business Awards within our awards program. This fantastic initiative is designed to celebrate the communities across BC that are most active in supporting small business entrepreneurs.

While the above activities help to grow our reach and celebrate local entrepreneurs, our core focus remains on serving the tens of thousands of small business owners and entrepreneurs that come to SBBC seeking information and advice from our staff and over 80 external experts.

I'd like to offer my sincere thanks to the people that make all this possible, including our committed Board of Directors, dedicated staff, volunteers and contractors. We also acknowledge the critical financial support of Western Economic Diversification Canada and the Ministry of Jobs, Trade and Technology, as well as the many community groups and provincial organizations that partner with us to make British Columbia's small businesses as successful as they can be.

Sincerely,



**George Hunter**  
Chief Executive Officer  
Small Business BC



# SMALL BUSINESS BC BOARD MEMBERS



**KATIE REIACH**  
CHAIR

Principal and Co-Founder,  
Talk Shop Media



**DAVID MCDUGALL**  
VICE CHAIR

Founder and Principal,  
Blenz Coffee Thompson  
Okanagan



**ARTHUR MERCER**  
TREASURER

CEO, Tseax Development  
Group Ltd.



**MARTIN DESROSIERS**  
DIRECTOR

President and Partner,  
Nucleus Networks



**JACKIE HUNTER**  
DIRECTOR

Executive Director,  
Small Business Branch  
Ministry of Small Business  
and Red Tape Reduction



**TAMMY SCHULTZ**  
DIRECTOR

Director General,  
Operations,  
Western Economic  
Diversification Canada



**BARRY HARTMAN**  
BOARD MEMBER

Co-Founder and CEO,  
505-Junk

# SUCCESS STORY



## Introducing Reid Hemsing, Two Wheel Gear

Throw everything else aside and commit. It's an all-or-nothing approach that isn't for everyone, but it certainly paid off for Reid Hemsing, the Founder of Two Wheel Gear. His outdoor lifestyle brand of cycling bags was snapped up by Mountain Equipment Co-op stores across Canada after only one year of incorporation, and the business hasn't slowed down since.

Reid didn't always work this way. He balanced being employed at his day job with running his start-up on nights and weekends for years. But it took wholly dedicating himself to Two Wheel Gear to see real results.

"If you want to give your business a real go, you have to focus your full-time effort and attention on it," he says. "That's how you'll get it to fly off the ground."

By leaving his corporate position for an entrepreneurial career, Reid brought Two Wheel Gear from a bag made in a basement to a line of luxury goods used on the streets by commuting professionals every day.

Here's how he did it, and how others can use free resources and go through processes like production and importing to find small business success.

## Tap Free Resources to Start, Finance and Grow

"There's a lot of help out there if you ask for it," Reid says, and it's clear he knows what he's talking about. The entrepreneur has a long list of free resources that he used to help Two Wheel Gear develop as a Canadian small business.

To launch his start-up, Reid turned to the resources available at Small Business BC. Starting with a General Business Consult, he quickly learned about the various supports available – all he needed to do was ask.

"There's a lot of help out there if you ask for it," Reid says.

"The one-on-one help I received at Small Business BC was invaluable to me when starting off. I also turned to resources like Futurpreneur and BDC for capital, hired a strategic coach through government grants, worked with

mentors, and found interns from UBC and BCIT programs."

Despite his success, Reid hasn't lost sight of the need for business education. He's still smart about sourcing knowledge and financing, and continues to collaborate with other organizations to grow his business. Reid is currently working with Export Development Canada, The Canadian Trade Commissioner Service and The National Research Council.

## Must-Know Knowledge for Import Businesses

When asked what lessons he'd pass on to other business owners who import their products, Reid simply states, "Get educated!"

The Two Wheel Founder recommends booking a one-hour consultation with Small Business BC, too. He praises how it saved him time and money: "I went for a consult... and so far it's saved me over \$10,000 when dealing with our customs broker. That short meeting taught me that our products were actually subject to lower import duties than my broker was even aware of. As my business continues to grow, this saving will only keep getting bigger."

## Find the Right Production Partners

Though Reid initially tried to manufacture his products in Canada, it was soon apparent that local production was unmanageably technical and expensive. The bike bags' production had specific needs that could only be feasibly met abroad. But the Two Wheel Founder didn't know how to find the manufacturer that was right for them.

He had to reach out to one of his large retail clients for a recommendation for a high quality, ethical and socially conscious manufacturer. But with their referral, many teleconference conversations and in-person meetings, he was able to find the ideal place to produce his products.

Business owners, even if they're first starting out, should be confident in their partners. Setting a high standard for who you work with over your product is crucial to creating a culture of customer loyalty, reputability and future profit.

## Award Winner

At the 15th Annual Small Business BC Awards, Reid and Two Wheel Gear walked away with the Best Marketer Award. It was a validation of the company's bold advertising choices, and provided an experience that will live long in the memory.

"Taking part in the SBBC Awards was special for us. In fact, it was a validation of everything we've done as a business" Reid explained.

"The awards, which are like the Oscars for small business, are a fantastic way for small businesses to get recognition and test themselves against the best."

## The Road Ahead

Following their awards win, Reid and Two Wheel Gear continue to go from strength to strength. Their products are carried nationwide through MEC, while plans are afoot to begin distributing in Europe. From a one-on-one consultation with Small Business BC, to global domination, all thanks to the hard work and dedication Reid puts into his business each day.

"It's been a hard nine years, but I wouldn't change it for the world," Reid says.

"I am beyond grateful for the amazing people, support and love we've experienced along the way. All I can say is believe that you can achieve what you set out to do. I've been told everything from 'you're a genius' to 'you're a joke.' I try not to let any of it get to my head because at the end of the day, you only have to answer to yourself."





# 2017-2018 HIGHLIGHTS



The number of SBBC advisory services delivered increased by

**33%**

over 2016-2017.



Social media followers across all SBBC platforms increased by an average of

**11%**

Small Business BC partnered with LNG Canada this year to host two Social Media for Small Business seminars in Terrace and Kitimat, BC. They were hosted collaboratively with the Terrace and Kitimat Chambers of Commerce and had

**55 small business participants.**



The Export Navigator Pilot Program received a one-year extension through

**\$607,800**

of funding.

**130 new companies** were accepted into the program **across 6 communities.**



## 10% more clients

participated in Talk to An Expert consultations than last year

(previously known as Ask the Expert)



More and more clients are finding Small Business BC through peer recommendations.

**The number of incoming referrals increased by 55%** on average this year compared to last year.

In September, the Northern Development Initiative Trust (NDIT) partnered with Small Business BC on an education pilot project that provided unlimited access to SBBC webinar education to Northern BC businesses. **The program increased webinar registrations by more than**

# 400%

**in Northern BC during Q3 and Q4.**



An impressive 298 seminars were delivered this year, **over 10% more than last year.**



**The 2017/18 Small Business BC Awards saw 597 nominees from 61 communities across BC.**

On February 23, 2018 the 15th Annual Small Business BC Awards ceremony took place at the Vancouver Convention Centre with

## 498 attendees.

# SMALL BUSINESS BC EVENTS



SMALL BUSINESS BC  
AWARDS

## SMALL BUSINESS BC AWARDS

This year's Small Business BC Awards experienced a dramatic shift in format, value, and scope. For the first time ever, the awards were held at the Vancouver Convention Centre and featured a gala dinner while the awards ceremony took place. 2017/18 also marked the first merging of the Small Business BC and Open For Business Awards ceremonies, an initiative led by the BC Small Business Roundtable. Despite a severe snowstorm on Awards night, 498 attendees made it out to toast the best of BC's entrepreneurial talent.



## SMALL BUSINESS BC SUMMIT

In 2017/18, Small Business BC replaced its INSPIRE event with the first ever Small Business Summit, a new format which featured a business pitch competition with cash prizes, a free exhibition of small business support providers, a networking lunch with local food trucks, and a ticketed education program aimed to help entrepreneurs gain practical skills and knowledge. Education topics included marketing, social media, funding, financing, taxes, sales, hiring, and more. The program was led by 15 highly-respected local business influencers and had over 500 registrants.



## MYBIZDAY

During 2017-2018, Small Business BC held its third annual MyBizDay series. This year, MyBizDay visited the small business communities of Abbotsford and Surrey, connecting local business leaders and Small Business BC's education to local entrepreneurs and business owners. Both events were well attended attracting a total of 254 attendees. This year's MyBizDay events featured talks from successful local business owners and leaders on varying topics, including insurance, ecommerce, business planning, digital marketing, and more.

## SMALL BUSINESS BC MEETUPS

Small Business BC's monthly Meetups, introduced last year, continue to produce strong attendance numbers and a broad range of topics that appeal to BC's small business community. As of March 30, 2018, the number of Small Business BC's Meetup members was 2,228 which is nearly 1,000 more members than last year, and it continues to climb. This year, Small Business BC hosted 11 Meetup events with topics such as "Defining Your Value Proposition", "Online Selling", and "Women in Business" as well as two seasonal mixers.

## SMALL BUSINESS BC MEETUP GROUP



# 2017-2018

## STATEMENT OF FINANCIAL POSITION

### CANADA/BRITISH COLUMBIA BUSINESS SERVICES SOCIETY

#### Statement of Financial Position

March 31

	2018	2017
<b>Assets</b>		
<b>Current</b>		
Cash and term deposits	\$ 280,229	\$ 520,516
Amounts receivable	176,161	38,274
Inventory	690	1,268
Prepaid expenses	0	4,331
	457,080	564,389
<b>Internally Restricted Cash and Term Deposits</b> (note 5)	1,564,464	859,753
<b>Capital Assets</b> (note 6)	132,150	172,189
	\$ 2,153,694	\$ 1,596,331
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 7)	\$ 112,545	\$ 89,394
Deferred contributions (note 8)	35,459	49,510
Deferred contributions - restricted (note 8)	869,643	227,157
	1,017,647	366,061
<b>Deferred Contributions - Restricted</b> (note 8)	24,000	0
	1,041,647	366,061
<b>Net Assets</b>		
<b>Invested in Capital Assets</b>	132,150	172,189
<b>Operating Funds</b>	309,076	425,484
<b>Internally Restricted Fund</b> (note 5)	670,821	632,597
	1,112,047	1,230,270
	\$ 2,153,694	\$ 1,596,331

Commitments (note 9)

Approved by the Board:

"Katie Reiach" Director  
Katie Reiach

"David McDougall" Director  
David McDougall

# 2017-2018

## STATEMENT OF OPERATIONS

### CANADA/BRITISH COLUMBIA BUSINESS SERVICES SOCIETY

#### Statement of Operations

Year Ended March 31

	Operating Funds	Project Funds (schedule 1)	2018	2017
<b>Receipts</b>				
Western Economic Diversification (note 2)	\$ 1,054,126	\$ 0	\$ 1,054,126	\$ 1,054,126
Projects (schedule 1)	0	459,753	459,753	235,933
Small business (schedule 2)	718,636	0	718,636	739,304
Province of British Columbia (note 2)	686,000	0	686,000	686,000
Rent recovery	32,377	0	32,377	33,377
Interest	13,476	0	13,476	13,839
	2,504,615	459,753	2,964,368	2,762,579
<b>Expenditures</b>				
Salaries and benefits	1,626,484	0	1,626,484	1,549,398
Projects (schedule 1)	0	457,585	457,585	236,654
Operations	455,995	0	455,995	390,807
Vancouver lease/facility	341,603	0	341,603	342,282
Advertising and promotion	55,754	0	55,754	60,191
Cost of sales	54,375	0	54,375	67,203
Board expenses	41,033	0	41,033	21,297
Amortization	49,762	0	49,762	56,195
	2,625,006	457,585	3,082,591	2,724,027
<b>Excess (Deficiency) of Receipts over Expenditures for Year</b>	\$ (120,391)	\$ 2,168	\$ (118,223)	\$ 38,552

# 2017-2018

## STATEMENT OF CHANGES IN NET ASSETS

### CANADA/BRITISH COLUMBIA BUSINESS SERVICES SOCIETY

#### Statement of Changes in Net Assets

Year Ended March 31

	Operating Funds	Project Funds	Internally Restricted Fund	Invested in Capital Assets	2018	2017
	(schedule 1)					
<b>Balance, Beginning of Year</b>	\$ 425,484	\$ 0	\$ 632,597	\$ 172,189	\$ 1,230,270	\$ 1,191,718
Excess (deficiency) of receipts over expenditures for year	(120,391)	2,168	0	0	(118,223)	38,552
Capital asset funding	(9,723)	0	0	9,723	0	0
Amortization	49,762	0	0	(49,762)	0	0
Inter-fund transfers	(36,056)	(2,168)	38,224	0	0	0
	(116,408)	0	38,224	(40,039)	(118,223)	38,552
<b>Balance, End of Year</b>	\$ 309,076	\$ 0	\$ 670,821	\$ 132,150	\$ 1,112,047	\$ 1,230,270



# 2017-2018

## STATEMENT OF CASH FLOWS

### CANADA/BRITISH COLUMBIA BUSINESS SERVICES SOCIETY

#### Statement of Cash Flows

Year Ended March 31

	2018	2017
<b>Operating Activities</b>		
Excess (deficiency) of receipts over expenditures	\$ (118,223)	\$ 38,552
Item not involving cash		
Amortization	49,762	56,195
	(68,461)	94,747
Changes in non-cash working capital		
Amounts receivable	(137,887)	54,207
Inventory	578	748
Prepaid expenses	4,331	3,802
Accounts payable and accrued liabilities	23,151	(22,801)
Deferred contributions	652,435	77,065
	542,608	113,021
<b>Cash Provided by Operating Activities</b>	474,147	207,768
<b>Investing Activity</b>		
Purchase of capital assets	(9,723)	(3,938)
<b>Inflow of Cash</b>	464,424	203,830
<b>Cash and Term Deposits, Beginning of Year</b>	1,380,269	1,176,439
<b>Cash and Term Deposits, End of Year</b>	\$ 1,844,693	\$ 1,380,269
<b>Represented by:</b>		
Unrestricted cash and term deposits	\$ 280,229	\$ 520,516
Restricted cash and term deposits (note 5)	1,564,464	859,753
	\$ 1,844,693	\$ 1,380,269



# IN BC, SMALL BUSINESS IS **BIG BUSINESS**

**SMALL BUSINESS BC**

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