

How Small Businesses in BC can help themselves, and the role of the BC government

**Interview with Hon. Naomi Yamamoto,
5th September 2013.**

Introduction

On the 5th of September, Dan Hathway, Principal Consultant of Hathway Management Consulting met with the Honourable Naomi Yamamoto, BC Minister of State for Tourism and Small Business. The discussion was about the needs, challenges and opportunities facing small business owners. We were joined by Trish Sterloff, Executive Director of Small Business Branch who is responsible for guiding and implementing policy.

Following her re-election as North Vancouver Lonsdale MLA, Naomi Yamamoto was tasked with heading the Ministry, following several ministerial briefs which recently included Small Business. Outside of her government role, Naomi is well known for her prior business activities and community work on the North Shore and beyond.

Challenges

At the start of the discussion, I painted a picture of a generally favourable business climate in BC and wanted to know what the Minister thought of the major challenges facing new small businesses, within the context of half of small businesses failing in the first 5 years.

Minister Yamamoto saw the key challenges as **gaining customers, accessing capital, managing cash flow and business planning**.

Even for the best products and services, finding new customers was seen as the number one issue, and one where persistence, and networking are key.

The Minister pointed out that BC was relatively small economy within a large geography. The Minister saw the Provincial Government's policies towards opening further internal and external markets as a major opportunity for small business. These policies include initiatives for selling to government and reducing red tape.

With respect to business planning, the minister noted that likely not enough small businesses planned strategically due to awareness, and importantly, those that did often failed to follow-through on plans due to the distractions of day-to-day business activity.

The Minister recounted how in her own graphic design business, her mother took the role of collecting accounts receivable, to good effect!

Taking the initiative

Both the Minister and Ms. Sterloff were passionate about spreading the word amongst the Small Business community about the many resources available to help their firms meet the key challenges highlighted, amongst others.

When asked about the challenges specific to BC newcomers from abroad, the emphatic answer was mastery of English within the newcomer's business sector.

Regarding the role small business plays in different industry sectors, we were reminded that the vast majority of firms, by size are small businesses (less than 50 employees). The Ministry is particularly interested in helping the tourism, manufacturing, and LNG sectors, and the Minister saw opportunities for small businesses to participate in export initiatives across the board.

BC has a growing technology sector, and as recent as 2012, KPMG gave a favourable review to the sector climate. Nonetheless, innovation as measured by patents issued per capita is some way lower than Canada as a whole, and GDP in the tech sector lags the national average.

When asked why this might be the case, the Minister mentioned a number of initiatives, including government-backed VC funding, specific tax credits and a multi-million dollar investment in the Emily Carr Great Northern Way Campus.

It was noted that innovation was high priority to the BC government, and is now a prominent focus in the Ministry of Technology, Innovation and Citizen's Services. Naomi also mentioned the contribution and role of Mitacs, which is a federal institution for innovation based in BC.

I wanted to know what the Minister saw as BC's competitive advantage, compared to other provinces and nearby US States. The key themes expressed were the low rate and high threshold for small business tax, the fact that BC had weathered the recent economic storm relatively well, and market access to Asia and the USA. Clearly well versed, Naomi added the employment standards and relative low burden of red-tape.

Naomi stated that small businesses should take advantage of their local chambers of commerce, visit small business BC and other publicized sources of advice. The other message was to keep at it, and not undersell your value.

Summary

The Minister is clearly someone who relishes her role for Tourism and Small Business, and with her personal experience running a small business, has unique insights that will aid policy.


It was clear that she understood the needs of small business, both from an individual and a macro-economic perspective.

The message is clear - first and foremost, take the initiative as a business owner, but do take advantage of the BC government's programs if needed.

About hathway management consulting

We are a boutique management consultancy specializing in SME strategy, with a focus on firms in British Columbia. Please feel free to contact us with any comments about this paper or other enquiries.

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