

**THE INFORMED AND ENABLED SMALL BUSINESS ENTREPRENEUR:
A CASE STUDY OF A CITY OF WINNIPEG INFORMATION-BASED LOCAL
ECONOMIC DEVELOPMENT INITIATIVE, THE DRAFT DOCUMENT
“HOW TO DO BUSINESS IN THE CITY OF WINNIPEG”**

BY

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**A Practicum
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in Partial Fulfillment of the Requirements
for the Degree of**

MASTER OF CITY PLANNING

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Abstract

Changes in the Canadian economy suggest the need for municipal economic development initiatives in the form of growth of new and young small businesses. The problem that gave rise to the research undertaken for this practicum is that there are many barriers faced by entrepreneurs in terms of starting or altering a business. To ameliorate this problem, the City of Winnipeg Business Liaison and Intergovernmental Affairs Department drafted the document “How to Do Business in the City of Winnipeg”, which is intended to mitigate one such barrier - that of a complex and confusing regulatory process. The testing of this document, to determine whether it in fact provides information that assists entrepreneurs to navigate the regulatory process and thereby encourage an aspect of local economic development in the form of growth of new and young small businesses, was made the focus of the research for this practicum.

The experiences of a test group (provided with a copy of the document) and a control group (not provided with a copy of the document), in moving through the regulatory process, were compared. No mention of the document was made on the part of the researcher during this portion of the study. Secondly, test group entrepreneurs were asked explicitly about the utility of the document. Finally, representatives of bodies that work with entrepreneurs were asked for feedback on the document for those with whom they work. Quantitative and qualitative data were obtained.

The document met with positive results overall. It appears to have provided entrepreneurs with a much needed overview of the important concepts and processes that are involved in commencing or altering a small business, and assisted in linking them with the various departments and offices that they would need to locate for additional information. Thus, the document may in fact encourage local economic development in the form of growth of new or young small businesses, through provision of information that contributes to the mitigation of the regulatory barrier.

The research for this practicum suggests that planners can contribute to local economic development in the form of broadening entrepreneurial activity, through information-sharing activities such as that of the draft document.

*I would like to dedicate this practicum to my Grandfather, the late Richard Robb,
who always took an interest in my studies.*

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Chapter 1

Introduction

1.1 Introduction

With Canada's economy currently undergoing drastic changes, ranging from globalization of the local economy to the fiscal restraint measures of senior levels of government, and with many areas experiencing a 'jobless' recovery from the recession that reportedly ended in mid 1993 (McQueen, 1995:20), the need for initiatives that encourage local economic development and the creation of jobs is increasingly critical (Skelly, 1995:vii).

Through economic development initiatives municipal governments have a critical role to play in the growth and development of their local economies (Skelly, 1995:vii). At one time local economies were viewed merely as subsets of the national economy, structured by national policy, whereas today local economic development strategies are seen as having much greater significance for regional, national, and international economic development (Healey, 1997:132, 151). For a number of reasons, in recent years many municipalities have shifted the emphasis of their economic development efforts from major employers and non-local firms towards small businesses and local entrepreneurs (Boothroyd and Davis, 1993:231).

The general problem that gave rise to the research undertaken in this practicum is that there are many barriers faced by incipient and fledgling entrepreneurs, in terms of starting or expanding a small business. This practicum examines one particular information-based initiative of the City of Winnipeg, a draft document entitled 'How to

Do Business in the City of Winnipeg” (Appendix 1), which is intended to mitigate one such barrier, and thereby encourage an aspect of local economic development, in the form of growth of new or young small businesses.

Thus the major research question being addressed in this practicum is whether or not the draft document “How to Do Business in the City of Winnipeg” assists entrepreneurs to start or alter a business, thereby encouraging local economic development.

1.2 Overview of Practicum Document

In order to provide a context for the analysis and description of the study results, Chapter 2 begins with a description of local economic development, and provides an overview of aspects of the Canadian economy that highlights the importance of municipal involvement in local economic development. The emergence of a municipal emphasis on the growth and development of new and young small businesses is also explored in this chapter.

Based on a review of relevant literature, Chapter 3 examines some of the barriers to small business growth as well as municipal approaches to mitigating these barriers. Chapter 4 outlines approaches to mitigating barriers in the Winnipeg context, and introduces one such approach, the draft document “How to Do Business in the City of Winnipeg”, the focus of the research for this practicum.

The methodology employed to conduct this research is described in Chapter 5. In Chapter 6 an analysis is performed to determine whether the draft document assists entrepreneurs to establish or alter a business.

Chapter 7 deals with the implications of the study findings for the utility of the draft document as a tool for enabling local economic development, through the mitigation of barriers faced by incipient and fledgling entrepreneurs. The results of the study are discussed in terms of the type of municipal economic development approach being represented through the initiative of the draft document. The significance of the study results for the City of Winnipeg's Business Liaison and Intergovernmental Affairs Department, the department responsible for the draft document, is also examined. An area for further research is identified in this final portion of the practicum. Finally, the implications of this practicum research for planners and planning are dealt with in this chapter.

1.3 Main Conclusions

Based on evidence gathered from local entrepreneurs, key informants, and the literature, the following conclusions were reached:

- The information-based draft document, "How to Do Business in the City of Winnipeg", appears to be a valuable and much needed tool that assists entrepreneurs to move through the legal process to start or alter a business, and may thereby encourage local economic development in the form of facilitating new and young small business growth. The draft document does this through the provision of information

that appears to contribute to enabling entrepreneurs to overcome the barrier imposed by what many view as a complex and confusing regulatory process.

- The draft document should be published, along with minor changes and corrections, and widely distributed among fledgling and incipient entrepreneurs in Winnipeg, at the earliest possible date.
- While intended to mitigate the barrier to entrepreneurs imposed by the regulatory process, the draft document may also help to reduce the barrier of lack of adequate provision of the soft infrastructure of ‘relation-building’.
- The sharing of clear and communicative information, which can result in the spread of ownership of knowledge, has broad implications for local economic development in the form of new and young small business growth; whether through initiatives directly related to local economic development, as in the case of the draft document, or through indirectly related information-sharing activities. The implication for planners is that when they are involved in increasingly common planning activities such as conflict mediation, negotiation, and consensus-building, meaningful collaborative discussion about shared concerns is promoted. Through such information-sharing activities, rich relationships are being built, upon which local economic development, in the form of new and young small business growth, increasingly depends.

Chapter 2

Municipal Involvement in Economic Development, with a Focus on Small Businesses

2.1 Local Economic Development Defined

Local economic development has been defined as initiatives by a local government or an organization funded by a local government, that are undertaken to increase local wealth, as measured in “jobs, income, public goods and services, and quality of life” (Skelly, 1995:1). Local economic development differs from community economic development in that the latter is not only concerned with the augmentation of community wealth, but also with the distribution of wealth, and hence the empowerment of disadvantaged groups. Community economic development implies social as well as economic goals (Brodhead, 1994:2-3).

The success of an initiative in encouraging community economic development can be measured by the ability of the initiative to allow the local community to help itself create new opportunities for the participation of disadvantaged community members in economic activity that enhances the well-being of the community at large, through the empowerment of community members (Skelly, 1995:2). According to McGowan & Ottensmeyer, and for the purpose of analysis in this practicum, the success of a local economic development initiative is measured in contrast, by its ability to lead to job creation and retention, tax revenue growth, enhanced quality of life (measured in terms of economic growth, e.g.: per capita income), and increased innovation and competitiveness (1993:4).

The research for this practicum necessarily focused on local rather than community economic development. The City of Winnipeg's Business Liaison and Intergovernmental Affairs Department wanted to obtain information about the utility of the draft document for the majority population, rather than for a specific low-income or disadvantaged group (Personal Communication, Douglas, September 10, 1997). It was beyond the scope of this practicum for the researcher to expand the study design to address the issue of the utility of the draft document in relation to community economic development.

2.2 The Canadian Economy and the Importance of a Municipal Role in Local Economic Development

There are a number of interrelated factors that have led Canadian municipalities to increase their involvement in economic development in recent years, and that have influenced the types of initiatives that municipalities undertake. Most of these factors are external to the provincially-mandated jurisdiction of municipalities, but nonetheless they have a profound impact on local economies. Factors such as globalization of the local economy, the reduction of international trade barriers and protection of individual markets, the replacement of human labour with machine labour, the fiscal restraint measures of senior levels of government, competition from other municipalities in a regional context, collapsing world markets for some of the traditional Canadian commodities (e.g.: East coast fishing sector, or a decline in some of Canada's mining resources), an increasing shift in economic activity from the production of goods to service provision, increased demand for a highly educated work force, and federal regional

economic development expenditure cutbacks, have all combined to increase municipal involvement in economic development (Skelly, 1995:vii).

2.2.1 Globalization of the Local Economy, and the Reduction of Trade Barriers and Protection of Individual Markets

Globalization refers to a phenomenon in which large corporations are able to operate outside the influence of government, and through which local areas have been opened up to world market influences (Skelly, 1995:2-3). Agreements between countries that reduce trade barriers and the protection of individual markets, such as the General Agreement on Tariffs and Trade (GATT), the North American Free Trade Agreement (NAFTA), and the proposed Multilateral Agreement on Investment (MAI), make it possible and highly profitable for transnational corporations to take advantage of differences between local settings in terms of wages, market potential, employment standards, taxes, environmental regulations, local facilities, and human resources. Large corporations can arrange their operations globally to produce products where costs are the lowest, sell products where the markets are most lucrative, and mobilize the resulting profits to where the tax rates are minimized (Korten, 1995:126). Rather than producing products from start to finish within a relatively autonomous or 'vertically-integrated' company, transnational corporations enter into flexible 'out-sourcing' arrangements. Taking advantage of the lowest possible costs around the globe, large corporations might have a product designed in one country, various components manufactured in a half a dozen other countries, and assembled in yet another (Healey, 1997:139).

North American firms that formerly maintained reasonable wage, environmental, and labour practices, now have to compete with countries that do not (Nozick, 1992:25). Highly-paid manufacturing jobs which were formerly the bedrock of the North American economy are increasingly dispersed overseas (Weaver and Dennert, 1987:432), resulting in North American manufacturing firms downsizing as international competition becomes more fierce in this sector (McQueen, 1995:20).

Corporate mobility has resulted in tremendous pressure on localities all over the world to compete with other geographic areas by absorbing social, environmental, and other production costs, in an effort to attract to their jurisdiction a portion of the operation of global companies. Globalization of local economies enables corporations to better achieve their end goal of maximizing profit, however the effects on people and the environment can be negative. For example, in 1990, Proctor Silex moved a plant from Moore County, South Carolina, when it became apparent that costs would be lower for them in Mexico. Moore County lured Proctor Silex to their locality in the first place by offering tax breaks, lax environmental regulations, and compliant labour. When Proctor Silex moved again after becoming aware of an even more profitable environment in Mexico, Moore County was left with 800 unemployed workers, barrels of Proctor Silex toxic waste, and \$5.5 million in public debt that the county incurred to finance sewer and water hook-ups on the company's behalf (Korten, 1995:128-129).

Another example of the negative impact of globalization of the local economy, and resultant competitive pressure on localities, can be seen through a simple comparison of wage rates between U.S. and Mexican factory workers. While the productivity of

Mexican workers working in modern plants is comparable to that of a U.S. worker, the average hourly manufacturing wage of the Mexican workers is only \$1.64, compared to the U.S. average of \$16.17. In an effort to maintain the conditions that transnational corporations seek, Mexican workers have been denied the right to form independent labour unions. In 1987, Ford Motor Company workers in Mexico were randomly shot at in the factory by gunmen hired by the official government-dominated union. The issues these workers were rallying to protest include the firing of 3,400 workers, and a wage cut of 45 percent (Korten, 1995:129).

For examples of environmental degradation caused by large corporations moving operations to locations where they can obtain a competitive advantage, one need only look to Mexico again, where massive toxic dumping in the industrial *maquiladora* zones, has polluted rivers, groundwater, and soil, causing severe health problems and infant deformities. The enforcement of environmental regulations is sufficiently lax in Mexico, that an investigative team from the U.S. General Accounting Office found that 6 newly opened U.S. plants were operating without environmental licenses (Korten, 1995:129).

While not to suggest that all transnational corporations act in an anti-humanistic and irresponsible manner, the opening of local settings around the world to the global economy, and the reduction of international trade barriers and protection of individual markets, suggest the need for increased municipal involvement in local economic development, to help off-set the negative effects of the corporations that do act in this way. Rather than succumbing to the pressures of transnational corporations by absorbing

social, environmental, and other costs, there are other more productive and appropriate approaches that municipalities can take to local economic development (Section 2.3).

2.2.2 The Replacement of Human Labour with Machine Labour

Another factor that has led municipalities to increase their involvement in local economic development is increased automation, or the replacement of human labour with machine labour, especially among large firms. Similar to economic globalization, automation has contributed to a tremendous decline in jobs associated with the North American manufacturing sector (Beck, 1992:44). Through increased automation, labour- and time-saving technologies are introduced to the workplace which allow for the mass elimination of workers. Obviously, manufacturing still takes place, as consumption levels around the world are unprecedented. However, the associated jobs are either located outside of North America to locations where production costs are lowest, or are increasingly performed by machines (Rifkin, 1995:221-223).

2.2.3 Fiscal Restraint Measures of Senior Levels of Government

The accumulated national debt has affected all levels of government through a reduction in transfers from senior levels of government to municipalities (Stankovic, 1987:6). Municipal governments are viewing local economic development as a means to expand their property tax base in order to off-set the reduction in federal transfers which previously off-set a greater share of local services costs (Skelly, 1995:3). Paradoxically, as senior government transfers are reduced, citizens' expectations for municipal services

such as recreation services, health and education services, and other social services are increasing (Blakely, 1994:40; Miller, 1992:48).

2.2.4 Regional Competition Between Municipalities

Competition from other municipalities occurs in a regional context as municipalities become aware of adjacent municipalities' economic development initiatives (Skelly, 1995:3). Many local governments become involved in external promotion (also know as 'boosterism', 'smoke-stack chasing' or 'city marketing') in an attempt to encourage large firms either to relocate existing facilities, or to locate new facilities, within their municipality (Boothroyd and Davis, 1993:232; Skelly, 1995:7; Stankovic, 1987:6; Weaver and Dennert, 1987:433; Wilson, 1995:648).

In some ways, competition between municipalities is similar to the globalization of the local economy. Both phenomena involve the movement of companies to locations that offer them the greatest advantages in terms of increasing profit. However, transnational corporations gain competitive advantage through competition on a global scale, whereas the firms that are the target of inter-municipal competition gain competitive advantage through competition between municipalities within a region.

There is no doubt that the economic development activity of one municipality tends to have the effect of increasing the economic development initiatives in other municipalities within a region. For example, the adoption of economic development strategies by the cities of Burnaby and Surrey, since 1991, forced other municipalities within the Greater Vancouver Regional District to do the same (Skelly, 1995:3).

However, there is much evidence that the traditional response to such inter-municipal competition - external promotion - is of limited value (Jacobs, 1984:99; Skelly, 1995:7; Stankovic, 1987:9; Wilson, 1995:647).

Studies in the U.S. performed by Birch and Schmenner, have shown that most relocations occur within distances of 20 miles, and that relocations occur at only 3% per year for all sizes of manufacturing companies (Stankovic, 1987:9). It has also been shown that the decisions of large firms as to where to locate rarely depend on the actions of local governments (*ibid*). When local governments are able to lure large firms, the long-term results are often devastating, as in the example of Moore County outlined in Section 2.2.1. Thus, not only is external promotion an ineffectual means of encouraging economic development, but even when it is successful in guiding location decisions, there is either no real growth or net regional gain, since firms typically relocate within the same region, or, in the case of the introduction of new large firms to a region, the long-term results are often negative.

If one municipality gains a firm from within the region, another municipality must deal with the destructive consequences, such as the loss of jobs and property tax revenue. Relocation of firms between adjacent municipalities may also result in monetary losses for the region as a whole since this may encourage costs such as 'firm-luring' tax incentives and public service projects (Wilson, 1995:647). The solution is not as easy as simply luring another firm, since "the demand for industrial implants far outruns the supply." (Jacobs, 1984:102)

As discussed below (Section 2.3), municipal experiences with external promotion suggest other more productive and appropriate approaches that municipalities can take in encouraging local economic development.

2.2.5 Collapsing World Markets for Some of the Traditional Canadian Commodities

The collapsing of world markets for some of the traditional Canadian commodities has had a profound affect on municipalities where the economy is dependent upon a single industry (Boothroyd and Davis, 1993:231). Witnessing the devastation in some communities caused by changes such as the disappearance of the East coast fishing business sector, or a decline in some of Canada's mining resources for example, (McQueen, 1995:20), has caused some one-industry municipalities to increase their involvement in economic development in order to diversify their economy and protect them from the risks of relying upon a single industry (Kiernan, 1990:65).

2.2.6 Shift From Production of Goods to Service Provision

In many cities, changes have taken place in the main type of economic activity, from the production of goods to service provision (Beck, 1992:62). The service sector can be divided into the following five categories:

- distribution services, such as trade, communications, transportation, and public utilities;
- producer services, such as accounting, management consulting, and financial services;
- consumer services, such as restaurants and hotels;

- not-for-profit services, such as health, education, and religion and;
- government services (Skelly, 1995:4).

Since producer services, such as accounting, management consulting, and financial services encourage investment, innovation, technological change and export outside of the region, they are said to have the greatest potential to positively affect the local economy (Coffey, 1994:14). The decline in industries involved in the production of goods has had the effect of increasing the need for municipal involvement in economic development, some of which focuses on the 'new' service-sector led 'economy', particularly producer services (Skelly, 1995:4).

2.2.7 Increased Demand for a Highly Educated Work Force

Another factor that has led to an increased need for municipal involvement in economic development is related to this 'new economy'. As many low skill level manufacturing jobs disappear through globalization and automation, service sector jobs are seen as increasingly critical to a locality's economic health (Blakely, 1994:206). Many of the jobs created through the service sector of the economy demand an increasingly highly educated work force (*ibid*). In order to encourage the health of the local economy through the growth and development of the service sector, some municipalities are increasing their involvement in local economic development by way of focusing on education and training initiatives (Skelly, 1995:4).

Examples of municipal initiatives include 'customized training' where training, provided at either a local educational institution or at the employer's site, is designed

specifically to meet the needs of the employer (Blakely, 1994:208). Other types of education and training initiatives include local apprenticeship courses, upgrade training, and retraining of dislocated workers or of women reentering the work force (*ibid*:211). In order to better match local human resources with the needs of the growing service sector of the economy, it is important for municipal governments to convey their economic development strategy to local education and training bodies.

2.2.8 Federal Regional Economic Development Cutbacks

While provincial government fluctuations do not appear to be a major factor, a reduction in direct federal government involvement in economic development has led Canadian municipalities to increase their involvement in recent years (Skelly, 1995:4-5). Overall, federal government efforts have met with limited success (Surrey Planning Department, 1994:65). While their lack of success is no doubt at least partially due to numerous programmatic changes (*ibid*), today, federal involvement in regional economic development is very limited, and almost exclusively indirect in nature (Blakely, 1994: 39; Skelly, 1995:5). Given this limited federal involvement, it is critical for municipalities to take constructive actions to meet residents' local economic development needs (Blakely, 1994:40).

2.3 Emergence of a Municipal Economic Development Emphasis on Small Businesses

As discussed, the factors outlined in the preceding section have led Canadian municipalities to increase their involvement in economic development in recent years.

Over the last 5 to 10 years a focus on the growth, development, and retention of local and small businesses has emerged as a means of increasing municipal involvement in economic development (Boothroyd and Davis, 1993:232; Skelly, 1995:7; Stankovic, 1987:6; Weaver and Dennert, 1987:433; Wilson, 1995:648).

Catalysts for small businesses becoming an important target for municipal economic development initiatives include a landmark study done in the U.S. that showed that today “more new jobs are created by small business than large business” (Wilson, 1995:648). In Canada small businesses are also attributed with creating the majority of new jobs (Thatcher, 1996:20). In 1995, approximately 135,000 new Canadian companies were launched. While only 1 in 5 companies typically survive their first 5 years, small businesses of less than 50 employees made up 97% of the 908,316 businesses in Canada in 1994 (McQueen, 1995:20-21). Small and medium-sized businesses are responsible for over 60% of Canada’s economic output and two thirds of all private sector jobs. In 1995, there were approximately 30,000 small businesses in Manitoba (Minkus, Jan., 1995:1,4). Overall, small businesses are considered “the primary engine of growth in Winnipeg and Canada” (Minkus, Oct., 1994:4). Thus, many municipalities may view a focus on small businesses as a means to address the problem of job losses resulting from globalization, the replacement of human labour with machine labour, and collapsing world markets for some of the traditional Canadian commodities. A focus on small businesses, which in 1981 characterized 99% of the service industry firms, can help to make up for losses experienced in the large-firm-based manufacturing sector (Stankovic, 1987:7). Municipalities may also be increasingly focusing initiatives on small businesses as an

alternative to global and regional competition which, as discussed, are often associated with negative ramifications. Finally, a municipal focus on small businesses has emerged as a means to expand the property tax base to address the problem of fiscal restraint measures of senior levels of government, and to compensate for federal regional economic development cutbacks.

In terms of small businesses addressing the issue of North American job losses, it is important to recognize that small businesses are unlikely to replace all of the jobs lost through factors such as globalization and automation. Strategies that could complement increasing small business activity, such as a reduced work week or the introduction of a social wage for work in the third sector (the millions of voluntary organizations that exist in communities throughout the world), have been suggested as additional means to deal with the reduction in requirements for human labour (Rifkin, 1995:224). Further attention to strategies such as the latter two, is beyond the scope of this practicum. Their inclusion in the discussion is intended to illustrate the importance of a municipal focus on small business within a broader economic framework.

2.4 Summary

This chapter began with a definition of local economic development, and explained that the research for this practicum focused on the draft document, “How to Do Business in the City of Winnipeg”, as a tool for encouraging local economic development. A number of recent changes in the Canadian economy that suggest that there is an important role for municipalities in local economic development, were also discussed. Within this

role, a municipal emphasis on the growth and development of new and young small businesses has emerged over the past 5 to 10 years.

Chapter 3

Barriers to Small Business Growth and Municipal Approaches to Mitigating These Barriers

3.1 Introduction

Chapter 2 established the importance of municipalities taking a role in economic development in the form of growth of new and young small businesses. This chapter will draw on the literature to discuss the types of barriers that new and young small businesses face, as well as approaches municipalities can take to mitigating these barriers.

It is well known that small businesses are plagued by high risks and significant failure rates. As mentioned in Section 2.3, only 1 in 5 companies typically survive their first 5 years of operation (McQueen, 1995:20). Securing equity and long term debt, and effectively organizing and managing the business, are two of the most commonly cited barriers among the many facing new and small enterprises. Other barriers for small businesses include opening access to new markets, spending on imports rather than purchasing from Canadian sources (municipal purchasing policies), lack of adequate infrastructure necessary to encourage small business growth, business taxes and excessive paperwork, and last but not least, municipal regulations (Stankovic, 1987:10-11).

3.2 Securing Equity and Long Term Debt

While the benefits of investment in small business, in terms of a substantial return for both the lending institutions and communities, is increasingly recognized, financial institutions tend to have a bias against lending to small businesses in favor of large ones.

There is a perception that “when it comes to getting the capital to be successful in business you have to have money to get money” (Minkus, April 1995:1).

In terms of mitigating financial barriers, one initiative that many municipalities have undertaken is the establishment of business incubator facilities (Blackwell and Kentridge, 1985:18). The purpose of incubator facilities is to provide more desirable and less costly premises for fledgling companies through the provision of more affordable shared rental spaces. Some incubation facilities include common meeting rooms, office equipment and furniture, labs, assembly space, and administration assistance service. Through reduced rental rates, small businesses can free funds to invest in the operation of their business (Stankovic, 1987:10).

Another approach that can be taken to address the barrier of securing access to equity and long term debt is to link incipient and fledgling entrepreneurs with credit unions that may respond more favorably to small business loan requests. This is discussed in more detail in Section 4.2.

3.3 Effectively Organizing and Managing the Business

The establishment of incubation facilities has also been used by some municipalities as an initiative to mitigate the barrier of effectively organizing and managing the business. As part of the rental rate, some incubation facilities offer management and skill training assistance. This approach not only increases access to management expertise, but also reduces the isolation of working from home (Stankovic, 1987:10).

The development of municipal small business advisory centres has also helped to reduce some of the barriers faced by small businesses. While senior governments have established many successful small business advisory centres, municipal governments have also had success in providing this type of marketing and managing support for small businesses. The range of services provided by these centres includes educational seminars and workshops, information packages, referrals to senior government departments, meeting and rental space, and expert volunteers that share their experiences in dealing with organization and management problems (Stankovic, 1987:11).

3.4 Access to New Markets

Depending on the view one holds of economic globalization, the barrier cited in the literature of gaining access to new foreign markets may or may not be seen as one that municipalities should aggressively focus on mitigating. It has been suggested that strengthening export/import relationships through trade agreements such as NAFTA and GATT (discussed in Section 2.2.1) can in fact have a negative impact on small and locally-owned businesses. Many small businesses, unable to produce large enough outputs cheaply enough to compete with transnational corporations, may either be forced to shut down or may not come into existence in the first place in such an environment. Instead, it is argued that Canadian municipalities should focus on initiatives that encourage locally providing for needs, thus reducing, rather than increasing, dependency on the global export/import model of doing business (Nozick, 1992:26-27).

Conversely, there are those that maintain that globalization is an inevitable and unavoidable reality (Nozick, 1992:30), and that municipalities must promote their competitive niche in the global economic system. A municipal example of this has been to assist small businesses by establishing ties with communities in foreign countries through the formation of 'twinning' or 'sister city' relationships. Proponents of this approach believe that local economic development through small business growth and expansion can be fostered through the development of business, trade, and cultural exchanges between two distant cities (Stankovic, 1987:11).

3.5 Municipal Purchasing Policies

With respect to Canadian spending on imports rather than purchasing from Canadian sources, municipal governments can play an important role in local economic development through a conscious reversal of this pattern (Jacobs, 1984:34-43; Nozick, 1992:54; The Winnipeg Weave, 1997:8). In 1987, Canadian municipalities made purchases totaling approximately 8 billion dollars. By redirecting purchasing from imports to local sources, municipal governments can significantly increase support for small businesses and foster local economic development (Stankovic, 1987:11).

3.6 Adequate Infrastructure

Unlike transnational corporations, where company decision makers often live far away from business operations (Korten, 1995:31), small business entrepreneurs are highly influenced by the attractiveness of a municipality, referred to as the "quality of life"

(Blakely, 1994:67). This includes everything from the provision of transport services, to waste-disposal, reduced traffic congestion and vandalism, performing arts centres, beautification, and revitalization projects. Since local governments have significant legislative responsibility for providing the infrastructure conducive for local economic development, they can play an important role in encouraging small business growth and entrepreneurial activity (*ibid*).

It is important to make a distinction between infrastructure that is likely to support small business activity, versus infrastructure projects targeted towards the needs of transnational corporations. Referring again to the example of Moore County in Section 2.2.1, it is dangerous for municipalities to acquire the burden of massive infrastructure projects on behalf of transnational corporations. Such corporations may move at any time to a lower-cost location, leaving the municipality with problems such as huge debt incurred on their behalf, as well as environmental and social costs (Korten, 1995:130).

Not only is infrastructure such as transport, power, and communication systems important, but also what has been found to be the critical soft infrastructure of 'relation-building' (Healey, 1997:200). In terms of why relation-building infrastructure is important, the view of firms today focuses on them less as part of a particular industrial sector, and increasingly as part of a chain, where the success of each firm depends on the necessary collective 'synergy' or 'threshold' for self-sustaining growth (Healey, 1997:138; Stankovic 1987:10; Wilson 1995:648). This is true to a certain extent for large, transient, transnational firms, for whom a certain "urban region may merely provide, at a particular time, operating conditions which suit (them)" (Healey, 1997:138). But it is particularly

critical for small firms, which are the most dependent on the local environment (Stankovic, 1987:10), including such aspects as the delicate relationships established between firms, which encourage the flow of knowledge and creative innovation.

In this environment where competitive advantage is supported by rich inter-firm relations, times of difficulty or risk-taking may require support, both from other firms, and from local government (Healey, 1997:141). Helping to build enduring relationships of trust and support between firms and local government is thus a critical aspect of what municipal governments can do to mitigate the barrier of lack of adequate soft infrastructure, and thereby encourage local economic development. With the knowledge that such relationships are important in times of difficulty or risk-taking, firms existing in a supportive environment are far more likely to stay in place.

Thus, small businesses are not only more likely to develop in such an environment, they are also more likely to grow through an environment that enables them to take risks, and more likely to be retained, due to the supportive relationships that have been established.

Relational richness can be built through information-driven, knowledgeable interaction and collaborative discussion between people about shared concerns. Through such interaction and discussion, “people learn about each other, about different points of view, and come to reflect on their own point of view.” (Healey, 1997:33) This contributes to the building of a store of mutual understanding, the capacity to collaborate and coordinate more readily in the future (*ibid*); in short, the building of relational richness

so critical for the flow of knowledge and innovation, that firms, (especially small ones), require to flourish.

Undermining the fostering of relational richness is the notion of municipal government as merely the provider of ‘services’ to people who are seen as nothing more than ‘customers’. This view is part of a growing belief that government should become more like a business, servicing their ‘customers’. The roots of this philosophy can be attributed in part to the perception that since the communist regimes of Eastern Europe have failed, it can therefore be concluded that capitalist approaches are inherently superior. Not only superior as an approach for the distribution of goods and services appropriately controlled by market forces, but a superior approach for all realms of meeting societal needs. This has left government to be viewed as necessarily bad, with its only hope of salvation to become more like the privately owned corporations that have allowed capitalism to “triumph” (Mintzberg, 1996:75).

An example of the sentiment that government should become more like business can be found in Bruce McClendon’s book Customer Service in Local Government, where he argues that “effective planning depends on delivering products and services that are needed, wanted, and valued by customers, and that satisfy them” (1992:xxv). When confronted with the concerns of a public agency planner that argued “We’re not Wal-Mart”, and should not treat people as customers in the way that a company like Wal-Mart does, McClendon responded that planners should become more like Wal-Mart since “Wal-Mart is much more successful and much more effective at serving its customers than most planners are.” (McClendon, 1992:xxiv)

There are a number of problems with the notion that, like a business, the purpose of government is to “create and keep a customer [through the production and delivery of] goods and services that people want and value” (McClendon and Quay, 1988:96), and thus the adoption of the idea that government should become more like business. The goal of business is to sell, and to sell as much as it possibly can (Mintzberg, 1996:77). Similarly, there are those that believe that planners must create products and services for customers, who will consume them (McClendon, 1996:228). With this underlying drive to encourage consumption, the private ownership model provides numerous examples of practices such as ‘planned obsolescence’, or ‘bait-and-switch’ techniques, where customers are lured in by low cost products, only to be sold more expensive ones. In addition, those that sell customarily know a lot more about what they are selling than their customers, “who can find out what they need to know only with great difficulty” (Mintzberg, 1996:77). In a business-customer relationship, there is a drive for power over knowledge. This provides those that have power over knowledge with a self-interested competitive advantage to sell to those that do not.

While the private business model may be suited to the creation of a choice-filled marketplace for items such as cars, dinnerware, and sports equipment, it is questionable for government to view people as their customers. If this approach is taken, then there is no reason to assume that there would be any less incentive for a government department to promote their self-interest by building obsolescence, or confusing language, into the draft document “How to Do Business in the City of Winnipeg” for example, than for businesses to employ such practices.

As author John Ralston Saul points out, as citizens, “our relationship to government is not tied to purchase or to value for money, but to responsibility.” As “owners of the services in question” we are in fact the employers of public servants, rather than their customers (1995:96). A business operates on the concept of self-interest, whereas “government is the only organized mechanism that makes possible that level of shared disinterest known as the public good” (*ibid*). What is needed is for citizens and government employees to respect and value government as the voice of the greater public good, without which the needs of individuals are reduced to the immediate, and private goods become vulnerable to societal disintegration (Mintzberg, 1996:83).

It is possible for a municipal government to promote a greater public good as an alternative to their own self-interest which is encouraged by the service-customer relationship and undermines the building of relational richness. While it may at first sound contradictory, in order to promote a ‘public interest’ it must be recognized that no individual, or group of individuals, can independently determine what is in the greater ‘public interest’ (Healey, 1997:296). Each individual, including public employees, has particular values and beliefs.

Rather than supposing that public employees can somehow remove themselves from their own values and beliefs, and thereby objectively act in the ‘public’s interest’, there is an increasing recognition that public employees in fact use their own values and beliefs to guide their actions. In terms of how people come to form values and beliefs, the field of ‘communicative’ planning theory suggests that individuals arrive at their preferences not independently, but rather “learn about their views in social contexts and

through interaction” (Healey, 1997:29). What this means for planners and public employees in general that are wanting to promote a ‘public interest’ and thereby encourage such things as relational richness (as an alternative approach to the self-interested service-customer approach) is that they must recognize that they shape their own values and beliefs through discursive interrelations with the broader public, and secondly, that they must be committed to the spread of information, without which the knowledgeable public participation and interaction required for discursive interrelations cannot take place (*ibid.*: 29, 296). Mintzberg suggests a shift away from business models of government management, towards a ‘normative model’. A normative model, rooted in a different set of values and beliefs, and emphasizing human commitment and dedication, would be well suited to government, “with its vagaries, nuances, and difficult trade-offs among conflicting interests” (1996:83).

Such an approach would be supportive of the sharing of information, which has the potential benefit that: a) ownership of knowledge will be spread; so that b) knowledgeable communication can occur; through which c) relational-richness is built; which will d) encourage the flow of even more knowledge and relational richness among people (including entrepreneurs of small businesses); which will f) result in the creative innovation necessary for local economic development in the form of new or young small business growth to flourish.

3.7 Taxes and Excessive Paperwork

There are a number of taxes that apply to small businesses. These include property tax, business tax, payroll tax, income tax, and provincial and federal sales tax. Not surprisingly, small businesses argue that taxes are too high (Berle, 1990:111), time-consuming to process, and involve a maze of confusing paperwork (Minkus, Nov., 1994:10). However, taxes are a necessary trade-off for the various federal, provincial, and municipal services and programs, the adequate provision of which is a measure of our society's civility. Furthermore, it is through service and program provision that municipalities can work to create an environment supportive of small business growth and development. Nonetheless, taxes are seen by many small businesses as a barrier in terms of the consumption of time and money that are critically needed for business growth and expansion (Berle, 1990:111).

Municipal approaches to mitigating this barrier include reducing taxation, for example by eliminating the business tax. Another approach to mitigating this barrier is to obtain business input in the review of taxation policies and procedures. By involving businesses in these processes the chances are increased of ensuring current relevancy. Involving businesses also helps to ensure that taxation-related information is written in a language that is understandable for business people. Through the involvement of businesses it is also more likely that entrepreneurs will understand the importance and necessity of what is required of them, and be less frustrated by these requirements (Manitoba, 1994:1).

3.8 Municipal Regulations

The importance of municipalities mitigating the barrier imposed by municipal regulations cannot be overlooked. While developers and builders have traditionally cried out for municipalities to ‘cut red-tape’ and ‘streamline regulatory processes’, small businesses have also expressed a concern over excessive restrictions and complexity of requirements, regarding such issues as parking, signage, height placement of objects, and store hours. Municipal governments can work to mitigate this barrier to small businesses through careful consideration of the effects of development controls on local economic development (Stankovic, 1987:12).

Notwithstanding the above, it is very important to understand that regulations serve a number of vital purposes. Cities are comprised of hundreds and thousands of interconnected individuals, each of whose actions affect other people. Without the coordination of actions, decisions may meet the needs of the individual making the decision, but may fail in meeting the needs of the general population. Regulations serve to coordinate actions and decisions and bring order into the urban environment (Jones, 1990:2; Mintzberg, 1996:77). Regulations also protect the public as well as businesses from unfair trade practices and provide information that the government requires for activities such as assessing taxes, providing aid to businesses, and enforcing labour regulations (Draft Document “How to Do Business in the City of Winnipeg”, p. 13, Appendix 1).

Clearly, regulations serve a variety of valuable functions. Thus, the concern is not that well-thought-through and appropriate regulations should be eliminated, but rather that

excessively restrictive or out-of-date and irrelevant restrictions should be reviewed and modified, or deleted, in order to mitigate the barrier of those regulations that are harmful and no longer serve a purpose.

3.9 Rationale for a Focus on Mitigating the Barrier of Municipal Regulations

The Nielsen Task Force Program Review on regulatory programs for the federal government singled out municipal regulations, of all three levels of government, as posing the greatest constraint to economic development (Government of Canada, Study Team Report to the [Nielsen] Task Force on Program Review, 1985:29). The implication of this finding is that in addition to affecting the physical development and day-to-day activities of businesses, municipal processes also affect the processes of economic growth and change such as business expansion, entrepreneurial activity, and innovation. As such, municipal regulations potentially have positive and negative affects on local economic growth, and cannot be viewed as economically neutral instruments (Stankovic, 1987:12).

Founder of the New York National Foundation for Teaching Entrepreneurship, Steve Mariotti contends that in his experience over the past decade, the inability of a would-be entrepreneur to “walk into city hall, register their business at one location for a nominal sum, and walk out with the necessary license(s)” and required documentation to commence business operation, deters many individuals from establishing a legitimate business (INC., 1994:84). He argues that the paperwork, cost, waiting, and confusion, involved in moving through the regulatory process result in a significant barrier for small business entrepreneurs (*ibid*).

Aside from simplifying and updating zoning controls, municipal approaches to reducing the barrier of municipal regulation include the establishment of 'one-stop' approval processing and information centres as well as the publishing of 'informational documents' on how to deal with such issues as obtaining building permits, zoning variances, and licenses (Stankovic, 1987:12).

Given the importance of economic development in the form of small business growth, clearly municipalities should work to eliminate all of the barriers. However, given financial limitations, it is not clear where municipalities should focus their efforts. One approach is to concentrate on initiatives that are the least costly. Focusing on municipal regulations and red-tape is one approach to mitigating barriers for small businesses that would require no capital expenditure, and could in fact lower operating expenditures for the public sector. This in turn might free up additional municipal resources for initiatives such as incubator facilities, infrastructure projects, and the provision of tax incentives. Given the significance of municipal regulations in terms of business expansion, entrepreneurial activity, and innovation (Stankovic, 1987:12), and considering that municipal regulations have been cited as the second largest barrier to entrepreneurial activity (after taxes), (Manitoba, 1994:1), there is considerable merit in municipalities focusing on the inexpensive initiative of mitigating this barrier.

In the Winnipeg context there are additional reasons for focusing not only on mitigating the barrier of regulation, but also for focusing specifically on the informational document "How to Do Business in the City of Winnipeg" as a means of doing so. These

are conveyed in the following chapter, discussing measures taken in the Winnipeg setting to reduce barriers to new and young small business growth.

Chapter 4

Mitigating Barriers to Economic Development in the Form of New and Young Small Business Growth in the Winnipeg Context

4.1 Introduction

In the City of Winnipeg, a number of initiatives have been undertaken that are intended to reduce or eliminate barriers to small business growth. Some of these initiatives have been undertaken by the municipal government, whereas others have been undertaken by another level of government or other body.

4.2 Mitigating the Barrier of Securing Equity and Long Term Debt

In terms of the barrier to small business growth caused by difficulties in securing capital, a number of initiatives have been undertaken in the Winnipeg context. For example, the Provincial Government has initiated the development of incubator facilities. While these have met with only partial success (Personal Communication, Douglas Kalcsics, May 15, 1997), such facilities do help entrepreneurs to free funds to invest in the operation of their business.

Two other initiatives designed to mitigate the barrier of access to capital have been undertaken by the Winnipeg Chamber of Commerce. The Chamber has created opportunities for face-to-face interactions between entrepreneurs and decision-makers associated with financial institutions, and has worked to develop a “capital availability” data base for local business people (Minkus, Oct., 1994:4). Such a data base would provide information to link entrepreneurs to investors that may be willing to consider investing in small business ventures.

Other initiatives include the Winnipeg Credit Circle which operates under Supporting Employment and Economic Development (SEED) Winnipeg, a non-profit organization that assists people with a low-income to establish their own micro-enterprise (Rothney, 1997:1). This initiative, which utilizes a peer lending model, provides, among other things, access to capital (Matischuk, 1997:5). Through the peer lending model, the risks for both the client and the lender are very low (Rothney, 1997:1). Loans are made to an individual through a local credit union, because the individual is part of a group (Tsuzuki, 1994:79). The group is accountable for the loans provided to each individual within the group, and no new loan applications are accepted until all loans of all members of the group are current (Matischuk, 1997:5).

Another initiative in Winnipeg that helps to address the issue of securing equity and long term debt, is the establishment of the Canada Business Service Centre. This centre provides a wide range of literature for businesses and entrepreneurs that includes information on securing capital. Clearly, in the Winnipeg context, there are a number of initiatives underway that are geared to mitigating the barrier for entrepreneurs associated with accessing capital.

4.3 Mitigating the Barrier of Effectively Organizing and Managing the Business

The Provincial initiative to establish incubation facilities has been a positive step in terms of dealing with the barrier of effectively organizing and managing a business. However, it should be noted once again that they have met with only limited success. The Winnipeg Credit Circle has also helped to reduce this barrier, since in addition to assisting

with access to capital, it also provides business skills training, and group expertise and support (Matischuk, 1997:5). Through the provision of literature on everything from management to developing a business plan, the Canada Business Service Centre has also helped to reduce this barrier for entrepreneurs. Internet access is also provided through the Centre.

4.4 Mitigating the Barrier of Gaining Access to New Markets

The City of Winnipeg is currently pursuing initiatives that address the issue of difficulty in gaining access to new markets. In 1988 the City of Winnipeg signed its most recent official 'sister city' agreement. Since that time the City has concentrated efforts on an approach seen as more conducive to the establishment of meaningful economic relationships, namely 'business accords'. Sister city relationships were established primarily between mayors and governmental delegates. They focused on cultural and educational exchanges, but failed in terms of establishing relationships between business interests. In contrast, channels for the establishment of business accords are intended to develop only initially through governmental representatives, and then immediately involve business leadership in defining mutual economic interests, opportunities, and actions to capitalize on these opportunities. Business accords involving the City of Winnipeg are also intended to differ from sister city relationships in that measurable goals, an action-plan (including required resources), a time-table, and an expiry date are to be included (City of Winnipeg, 1997a:1). To date, no business accords have been ratified, however the City

has expressed enthusiasm that the first accord will be developed in the near future (Personal Communication, Alex Robinson and Douglas Kalcsics, June 22, 1997).

Another City-supported economic development initiative that will help small businesses gain access to new markets is the establishment of a 'mid-continent trade corridor'. The City is strongly committed to this project, and is working with a multi-sectoral coordinating committee to facilitate trade and investment linkages between Winnipeg and the rest of the corridor. The City of Winnipeg views Winnipeg and Manitoba as the northern terminus or gateway in this corridor, which is based on a reorientation of trade from east to west, to north to south, influenced primarily by the North American Free Trade Agreement. Those involved in the coordinating committee include the Manitoba Department of Industry Trade and Tourism, Manitoba Department of Highways and Transportation, Winnipeg Chamber of Commerce, University of Manitoba Transport Institute, Winnipeg 2000, Department of Western Economic Diversification, and City of Winnipeg Business Liaison and Intergovernmental Affairs Department. The purpose of the coordinating committee is to eliminate any physical or regulatory impediments to the development of the corridor and to capitalize on enablers to corridor trade and investment development (City of Winnipeg, 1997b).

Again it is important to note that the barrier of gaining access to new foreign markets may or may not be seen as one that municipalities should aggressively work to mitigate, depending upon the view one holds regarding the desirability of encouraging the global economy. Since the trade corridor initiative also deals with the barrier of providing adequate infrastructure, additional discussion takes place in Section 4.6.

4.5 Mitigating the Barrier of Municipal Purchasing Policies

The City of Winnipeg is not actively supporting small businesses through a preferential policy of local spending. An employee from the City explained that Winnipeg is a net exporter and therefore could potentially suffer severe repercussions, if they alienate those from whom they import, through the adoption of a preferential purchasing policy (Personal Communication, Doug Kalcsics, July 22, 1997). There are other groups within the Winnipeg context that are supportive of local purchasing policies, such as the Winnipeg Healthy Communities Network which advocates the use of locally-produced goods and services as well as the production of goods and services for local use (The Winnipeg Weave, 1997:8).

While it is possible to understand the City not wanting to make a priority of local purchasing, there are those that would argue that retaliation by our importers may not be a legitimate concern. If this is the case, then the City may be missing an important opportunity to generate wealth within the municipality (Nozick, 1992:54). According to Jane Jacobs, replacing imports with locally produced goods and service is the most significant way in which a city can expand and develop their local economy (1984:34-43). Furthermore, an 'import-replacing' strategy can be fostered through a city's existing production of goods for export. Companies that currently provide goods or services for export have the capability of creating other products and services for local use. Through a preferential purchasing policy that encourages the replacement of imported goods and services with local ones, new community wealth could be generated and new businesses

would likely develop. This could set off a chain reaction resulting in the growth and development of even more new local businesses (Nozick, 1992:54).

4.6 Mitigating the Barrier of Lack of Adequate Infrastructure

The City of Winnipeg is currently involved in several strategies that will help to mitigate the barrier of lack of adequate infrastructure. Examples of City-supported initiatives include the Winnipeg Development Agreement, the Forks Renewal Corporation, the North Portage Development Corporation, and the establishment of Business Improvement Zones (BIZ) (Skelly, 1995:23). The Board of a BIZ, for example, is authorized to make physical improvements to City land within the zone. Such initiatives are consistent with the types of infrastructure projects that strongly influence entrepreneurs to start or maintain a small business in a particular community (Blakely, 1989:75; Stankovic, 1987:10).

Another City-supported initiative related to infrastructure is the goal to establish a 'mid-continent trade corridor', discussed in Section 4.4. This would be categorized as what Blakely calls a 'custom-made' infrastructure project, geared specifically toward the particular business requirements of transnational corporations (1994:67). If one accepts the inevitability, necessity, or desirability of economic globalization, after considering the frequently associated social, economic, and environmental costs, then establishing Winnipeg as the northern terminus or gateway in this transportation-based trade corridor, to meet the needs of numerous large and transnational corporations, is a considerably wiser approach than working to meet the needs of a specific corporation (as discussed in

Section 2.2.1 and 3.6). However, there are still significant risks for Winnipeg. Consider the massive projected spending on Winnport - the Winnipeg Airport Authority Intermodal Facilities, that as part of the mid-continent trade corridor strategy is hoped to make Winnipeg a transportation hub catering to large corporations. If these corporations decide to make use of another lower-cost transportation hub then Winnipeg will have incurred massive costs and gained very little.

4.7 Mitigating the Barriers of Taxes and Excessive Paperwork

With respect to the barrier to entrepreneurial activity imposed by taxes, possible solutions include the elimination of the time-consuming payroll tax and the elimination of the business tax. The payroll tax has been eliminated for Winnipeg businesses, such that today, over 90% of taxable businesses are exempt in Manitoba (Manitoba, 1994:2). The City of Brandon has also eliminated its business tax. In terms of the writing of tax-related information - in order to increase chances of ensuring non-confusing language, uniform writing styles, and an understanding of what is required of businesses and why - attempts have been made to obtain business input. The Provincial Report of the Advisory Panel on Business Regulation called for increased business input in the development or review of tax-related policies and procedures (1994:1).

4.8 Mitigating the Barrier of Municipal Regulation

The final barrier for small business growth which is of direct relevance to this practicum is that imposed by municipal regulation, commonly referred to as 'red-tape'.

This is an area where there is currently a great opportunity for the City of Winnipeg to act. There are two issues with respect to regulation barriers that must be distinguished, the second of which is the focus of this practicum. The first has to do with the appropriateness of the regulations themselves. In other words, are the regulations excessively restrictive, and are they currently relevant? The second issue has to do with the complexity of the licensing and permit processes (INC., 1994:84); and the fact that in order to meet the legal requirements to commence or alter business operation, many entrepreneurs must deal with a number of municipal departments, and frequently meet the requirements of more than one level of government.

To give an idea of the complexity, consider that in 1994 there were over 400 provincial statutes, of which more than 200 were connected to one of 665 base regulations, which totaled over 9300 pages of text (Manitoba, 1994:1). The City of Winnipeg also devotes hundreds of pages to zoning, licensing, development procedures, health and food handling, building inspection, lot grading, streets and private approaches, and services by-laws, all potentially pertaining to small businesses (respectively, by-laws #6400-94, 6551-95, 5893-92, 5160-89, 4555-87, 4569-87, 6546-95, and 5058-88).

In terms of the first issue, the appropriateness of the regulations themselves, the City of Winnipeg devotes considerable effort in terms of reviewing the regulations. One example is the anticipated review of Winnipeg's industrial zoning policies (Personal Communication, Alex Robinson, May 15, 1997). Through these types of reviews regulations can be simplified and updated.

To address the second issue, the complexity of the licensing and permit processes, the City of Winnipeg has established the One Stop Shop Permit Counter. In Winnipeg in the past, entrepreneurs were responsible for taking required documentation around to each of the various departments with which they had to deal in order to meet regulatory requirements. The process was time-consuming and often confusing. The One Stop Shop Permit Counter is intended to assist entrepreneurs by enabling them to take one copy of the documentation that is required of them to this counter, and then depart while the documentation is circulated to the required departments internally, on their behalf.

There is, however, evidence that despite initiatives such as the establishment of the One Stop Shop Permit Counter, additional initiatives are required to mitigate the barrier of confusion and complexity in meeting regulatory requirements. Entrepreneurs in Winnipeg still appear to experience confusion as to what is required of them and by whom. During the spring of 1997, the author conducted a study that provides support for this view. The study, "Facilitating Local Employment Opportunities for Residents in the River-Osborne Area", was conducted for the Human Resources and Development Canada funded project "Communities Work!" (administered by Winnipeg Child and Family Services Southwest Area and School Division #1's Child Guidance Clinic). Through interviews with local small business owners during this study, the issue of complexity and confusion regarding the process for complying with the legal requirements to commence or alter a business, emerged as a barrier for entrepreneurs in establishing a new business, despite the One Stop Shop Permit Counter being in operation at this time.

4.9 The Draft Document “How to Do Business in the City of Winnipeg”, as a Tool for Encouraging Local Economic Development

Through the literature it is evident that governmental bodies acknowledge responsibility for providing the information necessary for businesses to meet the legal requirements to establish or alter a business (British Columbia Ministry of Industry and Small Business Development, 1983; Service to the Public Task Force, 1990:21). In response to this type of issue, as well as a variety of other issues, the City of Winnipeg’s Business Liaison and Intergovernmental Affairs Department was established in 1994 (Minkus, May, 1994: 1), to constantly pursue improvement in services provided to the business community and the quality of intergovernmental relationships, particularly as they relate to business.

Recognizing the persistence of the problem of confusion and complexity in meeting regulatory requirements, this department drafted the document “How to Do Business in the City of Winnipeg”, in February of 1997. This document is intended to provide information to mitigate confusion regarding regulatory requirements, thereby assisting the entrepreneur in establishing or altering their business. This is a municipal initiative that is expected to encourage local economic development in the form of new or young small business growth. Prior to public release however, it must be shown that the document, along with possible revisions, will in fact aid entrepreneurs in navigating the required process to commence or alter their business operation. This practicum involved testing the draft document for utility as a tool for local economic development, by obtaining feedback from a sample of businesses and key informants. In light of this feedback, areas for possible revisions to the document were identified.

While designed to reduce the regulatory barrier, the results of the study were also analyzed in terms of the potential of the draft document to mitigate the barrier of lack of adequate soft infrastructure of relation-building. This is because the draft document involves information provision which, as discussed in Section 3.6, is linked to mitigation of this barrier.

It is important to note that the Business Liaison and Intergovernmental Affairs Department identified a need to reduce regulatory confusion for fledgling and incipient entrepreneurs, quite independently of the author's study with businesses in the River-Osborne Area. This suggests that both the business community and City officials perceive a need to reduce the regulatory barrier. The draft document is a significant step in this direction. The perception of need for this type of document is also supported by the fact that other provinces, such as British Columbia, have published similar documents (British Columbia Ministry of Industry and Small Business Development, 1983).

4.10 Summary

Understanding the importance of municipal involvement in local economic development in the form of growth of new and young small businesses, and understanding some of the barriers to small business growth as well as municipal approaches to dealing with these barriers found in the literature, the preceding chapter indicated that a focus on mitigating the barrier of regulation and red-tape is warranted. This is an approach that may not only require no capital expenditure, but may also reduce operating expenditures

for the public sector. This is in contrast to the mitigation of some of the other barriers, which would require capital expenditures.

Chapter 4 examined mitigating measures in the Winnipeg context, and it was found that many of the barriers outlined in Chapter 3 are being addressed to some extent through the City of Winnipeg or some other body. The barrier imposed by complex and confusing regulation was highlighted once again, as one that has not been adequately addressed to date. Specifically, the aspects of complexity and confusion for entrepreneurs in meeting the legal requirements to establish or alter their business operation was identified. This is not to suggest that other barriers in Winnipeg have necessarily been adequately addressed, but rather that a significant gap has been identified in terms of adequately addressing the barrier of confusion and complexity of municipal regulations. Furthermore, some of the initiatives geared towards addressing the other barriers are in too early a stage to be assessed, whereas the time was opportune to assess the draft document “How to Do Business in the City of Winnipeg”.

Given the importance of addressing the regulatory barrier, and the opportunity to pursue a low cost initiative to do so, the testing of the draft document was made the focus of this practicum research. While not specifically designed to mitigate the barrier of lack of adequate soft ‘relation-building’ infrastructure, it will be argued that the draft document has the potential to do so. Once again, this is because the document involves the provision of information, which is of critical importance to the building of relational-richness.

Chapter 5

Methodology

5.1 Introduction

In order to test the utility of the draft document, “How to Do Business in the City of Winnipeg”, three modes of inquiry were undertaken. The first involved an experiment where ‘indirect’ feedback on the document was obtained from Winnipeg entrepreneurs. The second involved obtaining ‘direct’ feedback on the document from Winnipeg entrepreneurs, and the third involved obtaining direct feedback from key informants. These three modes are described in detail below. It may be useful to note that Section 5.1.1 includes a graphic representation of the overall design of the research for this practicum, (Figure 5.2).

5.2 The Adoption of an Evaluation Research Approach

The purpose of ‘evaluation research’, also known as ‘program research’, is to evaluate the impact of a wide variety of social interventions, such as new programs, new teaching methods, or innovations in parole. In circumstances where some form of action or intervention has occurred or is planned, evaluation research can be used to determine whether the intended result was produced (Babbie, 1983:305). In the research for this practicum, the intervention is the publishing and distributing of the draft document “How to Do Business in the City of Winnipeg”. An evaluation research approach was used for all three modes of inquiry to determine whether this intervention produced the desired effect of assisting fledgling and incipient entrepreneurs to establish or alter their business.

5.3 An Experimental Research Design for the Indirect Feedback

In evaluation research, many methods, including experiments, can be used (Babbie, 1983:305). In order to gain an understanding of the utility of the draft document for assisting fledgling and incipient entrepreneurs to move through the regulatory process to start or alter their business, an experimental research method was selected for the indirect feedback portion of the study. Such an approach is considered particularly appropriate for situations such as this one, that involve hypothesis testing (*ibid*:187). The hypothesis for this practicum is that the draft document will assist fledgling and incipient entrepreneurs in establishing or altering their business (null hypothesis: the draft document will not assist fledgling/incipient entrepreneurs in establishing or altering their business).

An experimental research method is used in circumstances where the researcher wants to determine the effects of specific actions. This is done in experimental research by determining differences between a situation in which an action is taken, and another situation in which it is not taken (Zeisel, 1984:65). The researcher (1) takes an action, and (2) determines the consequences of that action (Babbie, 1983:187). In the case of the experimental, indirect feedback portion of this research, there are two different situations or courses of possible action; one in which entrepreneurs are provided with the draft document, and one in which they are not provided with the draft document.

With experimental research, it is important for the researcher to be able to focus on the smallest possible number of attributes at one time. To do this, control is required so that the researcher can be certain that any recorded effects are really the result of

experimental changes, or the action, as opposed to effects resulting from some other cause (Zeisel, 1984:69).

5.4 Use of a Survey Instrument

A survey can be used in experimental research, as a method of determining the consequences of an action. A survey involves the researcher selecting a sample of respondents and then administering a standardized questionnaire to them (Babbie, 1983:209). A questionnaire can either be self-administered, where the respondents complete the questionnaire themselves (*ibid*:223), or it can be administered by an interviewer who asks the questions orally, and records the respondents answers (*ibid*:229). The latter approach was selected for use in this practicum, since interview surveys are associated with higher completion rates, and fewer skipped questions (*ibid*:237). Interview surveys are also particularly effective for dealing with complicated issues (*ibid*), such as those associated with the municipal regulatory environment.

In addition to using a standardized questionnaire for the experimental, indirect feedback portion of the study, a standardized questionnaire was also used for the direct feedback from test group entrepreneurs.

Before the standardized questionnaires were administered to actual study participants, a pre-test was conducted with three entrepreneurs to ensure that the questionnaires were written clearly, effectively, and in a language understandable to respondents. The three entrepreneurs that were involved in the pre-test, were selected and treated in the same manner as if they were actual study participants. Based on the pre-

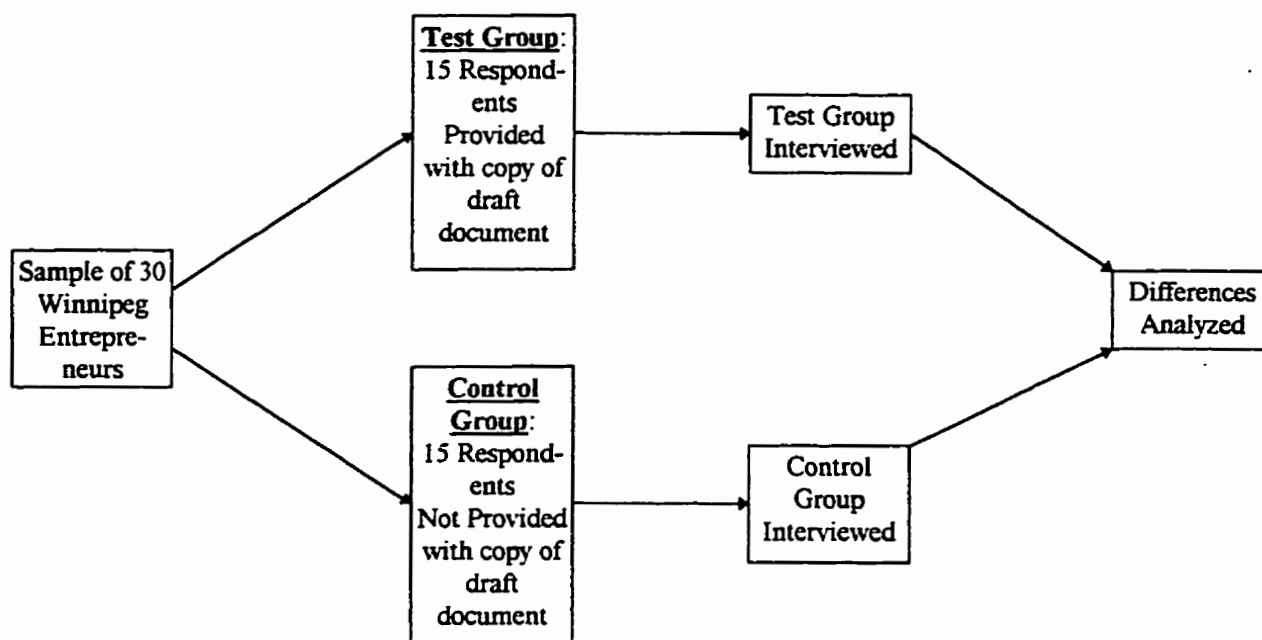
test, modifications were made to improve the questionnaires. The results obtained from the entrepreneurs involved in the pre-test were not used in the data analysis, since these entrepreneurs did not comprise part of the study sample.

5.5 Experiment to Obtain Indirect Feedback from Test and Control Group Entrepreneurs

As mentioned, in order to test the utility of the draft document, “How to Do Business in the City of Winnipeg”, the first of the three modes of inquiry that were undertaken involved an experiment, where indirect feedback was obtained from a sample of 30 Winnipeg entrepreneurs. This was done during personal interviews, using a standardized questionnaire (Main Questionnaire, Appendix 2). Half of these 30 individuals were provided with a copy of the draft document prior to their interview (test group), while the other half were not (control group). The test and control groups were equivalent, since assignment of respondents to each of the groups was random; determined by coin toss (selection of test and control group participants explained in detail in Section 5.7). The purpose of establishing a test and control group was to obtain indirect feedback on the utility of the draft document by comparing the results from the two equivalent groups on a number of measures. In order to control this experiment, the test and control groups were asked the same questions, with no mention on the part of the researcher of the draft document. It is in this way that the feedback is considered ‘indirect’. This process ensured that the differences in responses that were recorded between the test and control groups were the result of the action of giving the test group the draft document, as opposed to resulting from some other aspect of the research process. Figure 5.1 below

provides a graphic illustration of the design of the experimental, indirect feedback portion of this research.

Figure 5.1: Design of Experimental, Indirect Feedback Portion of the Research



Source: Adapted from Zeisel, 1984:71

5.6 Direct Feedback from Test Group Entrepreneurs

As mentioned, the second mode of inquiry involved direct feedback on the draft document, obtained from the test group only. The feedback is considered 'direct', in that the researcher made explicit reference to the draft document while asking questions. Again, feedback was obtained during personal interviews, using a standardized questionnaire (Supplementary Questionnaire, Appendix 2).

5.7 Selection of Test and Control Group Respondents

Since the draft document is intended to assist incipient entrepreneurs attempting to establish a business, as well as those wishing to expand or alter their business in some way, both types were included in the test and control groups for the indirect and direct feedback. Each group contained a typical ratio of business types that entrepreneurs attempt to commence or alter in Winnipeg. This ratio was determined by obtaining a complete list of all businesses that made contact with the City of Winnipeg's Land and Development Services Department over the past 6 months, for the purpose of filing a Building Permit or Development Application. The list was broken down according to types of businesses involved, and extrapolated over a 12 month period (Appendix 3). Only small businesses, locally-owned or -operated businesses, and businesses where the entrepreneurs themselves were involved in the process of meeting the legal requirements, were included in the development of ratios and in the sample itself. This ensured that the population that was interviewed reflected the types of businesses that the draft document was designed to assist.

Contact names and phone numbers for entrepreneurs that were interviewed were obtained from copies of recently filed Building Permit and Development Applications, through the Land and Development Services Department (Appendix 4). This was selected as the point of contact since all entrepreneurs that go through the legal process to start or alter a business must deal with this department. Copies of applications were obtained approximately three times per week until all 30 test and control group participants were

secured. This system ensured that initial contact was made with participants within a few days of their filing for an application.

The initial contact was made with potential respondents via telephone (Telephone Screener, Appendix 2). If the contact was willing and qualified to participate, and if the quota for their type of business had not yet been filled, then they were randomly placed (by coin toss) into the test or control group until all quotas were filled to match the established ratios as closely as possible. At this time, an initial meeting took place between the researcher and the respondent. At this initial meeting participants in the test group signed a consent form (Appendix 2) and were provided with a copy of the draft document (Appendix 1). An appointment for a personal interview was scheduled for approximately two weeks later, so they would have time to use the document prior to their interview. Participants in the control group were treated in the same way, except they were not provided with a copy of the draft document. All entrepreneurs were told upon initial contact that the purpose of the study was to obtain feedback on their experiences in establishing or altering a business, and that the results of the study would be used if possible to improve the process that entrepreneurs must undergo in order to meet the legal requirements to commence or alter a business (Telephone Screener, Appendix 2).

5.8 Indirect Feedback from Test and Control Group - Measurements

A number of measurements were taken of the draft document to determine whether it had the effect of improving the quality of the process that entrepreneurs moved through to meet the legal requirements to start or alter their business. The draft document

was tested in terms of its effectiveness in reducing frustration, confusion and anxiety, while increasing clarity of, and overall satisfaction with, the process. An attempt was also made to determine whether the draft document helped entrepreneurs obtain the information they required to move through the process to start or alter their business more quickly. Quantitative and qualitative measurements were taken.

5.8.1 Indirect Feedback - Quantitative Measurements

Eight statements, pertaining to satisfaction with the process, were read to respondents. Specifically, respondents were asked about (Section A, Main Questionnaire, Appendix 2):

- how easy/difficult it was to find out what the legal requirements were to commence/alter their business;
- how easy/difficult it was to find out which departments, organizations, or offices they should contact to inquire about meeting the legal requirements;
- how easy/difficult it was to obtain the phone numbers and names of the individuals that they had to contact in order to meet the legal requirements;
- how frustrating it was for them to determine whom to contact to meet the legal requirements;
- whether or not they found that the process was documented in a clear and straight forward manner;
- whether or not they found moving through the process to be a frustrating experience;

- whether or not more information on whom to contact would have been helpful for them and;
- how satisfied they were with the process overall.

For each of the above, respondents were allowed to choose one of the quantifiable response options indicated in Table 5.1 below.

Table 5.1: Quantifiable Response Options

Strongly Agree	Agree	Disagree	Strongly Disagree
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Even if respondents had not yet completed the process, they were asked to answer the questions to the best of their ability, based on their experiences up to the time of their interview. The responses of the test and control groups were compared for each of the eight questions (explained in detail in Section 5.8.1.2).

To obtain quantitative data regarding the utility of the draft document in assisting entrepreneurs to move more quickly through the process, respondents were asked at what stage they were in the process of meeting the legal requirements to commence or alter their business (Section C, Main Questionnaire, Appendix 2). The responses of the test and control groups were compared for this question as well.

5.8.1.1 Indirect Feedback - Predictions from the Hypothesis for Quantitative Measurements

Prior to the experiment taking place, it was predicted that if in fact the draft document is an effective tool for facilitating local economic development in the form of

growth of new and young small businesses, then the predictions outlined in the following table would be found to be true.

Table 5.2: Outcomes Predicted by Hypothesis

Measurement:	Test Group	Control Group
Overall Satisfaction with the Process	More Satisfied Overall	Less Satisfied Overall
Level of Frustration/Anxiety/Confusion Measurements Include: <ul style="list-style-type: none"> • ease in finding out what legal requirements are • ease in finding out which departments, organizations, or offices they should contact • ease in obtaining phone numbers and names of individuals they had to contact • level of frustration in determining whom to contact • whether they found process to be documented in a clear and straight forward manner • whether they found moving through the process to be a frustrating experience • whether or not more info. on whom to contact would have been helpful for them 	Less Frustrated/Anxious/Confused <ul style="list-style-type: none"> • Easier • Easier • Easier • Lower • Higher Number Reporting that Process was Documented in a Clear and Straight Forward Manner • Less Frustrating • Lower Number Reporting that they Required Additional Information on Whom to Contact 	More Frustrated/Anxious/Confused <ul style="list-style-type: none"> • Less Easy • Less Easy • Less Easy • Higher • Lower Number Reporting that Process was Documented in a Clear and Straight Forward Manner • More Frustrating • Higher Number Reporting that they Required Additional Information on Whom to Contact
Speed in Moving Through the Process	Move Through the Process More Quickly (At a More Advanced Stage in the Process)	Move Through the Process More Slowly (At a Less Advanced Stage in the Process)

5.8.1.2 Indirect Feedback - Quantitative Analysis

The results for each of the eight statement questions, asked in the indirect feedback, quantitative portion of the study, were tested for statistical significance using the Kruskal-Wallis one-way analysis of variance (Ferguson, 1966:362). The Kruskal-Wallis one-way analysis of variance statistical test compares two sets of independent data.

This test was appropriate for analyzing this data since the responses of the test and control groups were independent; meaning that the responses of one group did not affect the responses of the other. The Kruskal-Wallis one-way analysis of variance test was also suitable for analyzing this data since it is a 'non-parametric' test; meaning that the response options can be represented by a non-continuous number, and need not be normally distributed (response options can be represented as 1 or 2 or 3 or 4 as opposed to a test that requires a continuous range of potentially infinite numbers, represented as 1 or 1.1 or 1.2 or 1.3 or 1.4, etc... ad infinitum). The Kruskal-Wallis statistic is indicated as an "H" value which is an approximation to Chi-square. The associated probability is represented as a "p" value. By convention, the probability (p) must be 0.05 or less to be considered statistically significant. So, if $p = 0.05$ or less, then one would expect to get this result by chance no more than five times out of 100. Using this convention, one can be reasonably confident that they would not get this result by chance, which means that there is probably a real difference between the two sets of data. The degrees of freedom (DF) for each of the questions in this section is 1, (DF = # of samples {i.e.: control and test groups} - 1, or in the case of this research, DF = 2 - 1). The statistics software package that was used to analyze this data is called "Statistix", Version 4.1, produced by

Analytical Software. This software automatically sets the DF by subtracting 1 from the number of samples that are entered.

5.8.2 Indirect Feedback - Qualitative Measurements

For the qualitative portion of the indirect feedback section of this study, respondents were again asked about their experiences in moving through the process to meet the legal requirements to start or alter their business. However, this time they were asked to provide open-ended qualitative feedback on their experiences (Section B, Main Questionnaire, Appendix 2). For example, if respondents indicated that they were unsatisfied with the process, they were asked to explain why they felt unsatisfied. This provided rich qualitative data about their experiences. Once again, responses of the test and control group participants were compared.

5.8.2.1 Indirect Feedback - Qualitative Analysis

The qualitative responses obtained in the indirect feedback portion of the study were grouped into categories according to the nature of the comments, and summarized as frequencies and percentages.

5.9 Direct Feedback from Test Group - Measurements

For the direct feedback from the test group portion of the study, quantitative and qualitative measurements were taken. Participants were asked for direct feedback regarding the usefulness, clarity, successful aspects, and shortcomings of the draft

document. The feedback was considered 'direct', in that explicit reference was made to the draft document during this portion of the study.

5.9.1 Direct Feedback - Quantitative Measurements

The first quantitative measurement that was taken, determined how much time respondents spent referring to the draft document. Test group participants were asked whether or not they actually referred to the document, and if so, how many times, and for what duration of time (Supplementary Questionnaire, Section A, Appendix 2).

The second set of quantitative measurements was designed to obtain feedback regarding the utility of the draft document in improving the process that entrepreneurs had to undergo to meet the legal requirements to commence or alter their business.

Specifically, respondents were asked 11 questions about (Supplementary Questionnaire, Section B, Appendix 2):

- whether the draft document made it easier to find out what the legal requirements were to commence or alter their business;
- whether the document helped them determine whom to contact to inquire about meeting the legal requirements;
- whether the document helped them obtain the phone numbers and names of those they had to contact;
- whether the document helped make the process more clear and straight forward;
- whether the document helped make the process less confusing and complex;
- whether the document helped reduce frustration in moving through the process;

- whether the document was interesting to read;
- whether the document seemed like it was written with entrepreneurs like themselves in mind;
- whether the document was written in a language that is technical and hard to understand;
- whether the document helped them to feel confident that they were aware of what was legally required of them and;
- whether they learned new information by reading the draft document.

Respondents were allowed to choose one of the quantifiable response options indicated in Table 5.3 below.

Table 5.3: Quantifiable Response Options

Strongly Agree	Agree	Disagree	Strongly Disagree
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Once again, even if respondents had not yet completed the process, they were asked to answer the questions to the best of their ability, based on their experiences up to the time of their interview.

5.9.1.1 Direct Feedback - Anticipated Results for Quantitative Measurements

Since it was anticipated that test group respondents would find the draft document to be useful, it was expected that a statistically significant portion of the test group would respond positively to the 11 direct feedback quantitative questions, indicated in the preceding section (Section 5.9.1).

5.9.1.2 Direct Feedback - Quantitative Analysis

The results for each of the 11 questions asked in the direct feedback, quantitative portion of the study, were tested for statistical significance using a Chi-square test for one sample (Ferguson, 1966:191). A Chi-square test is an appropriate test for a single data set and can be used in circumstances where there are 2 or more possible outcomes. In this portion of the study there were originally 4 possible outcomes; Strongly Agree, Agree, Disagree, and Strongly Disagree. However to ensure an adequate expected theoretical value for each possible outcome, the researcher combined the upper 2 and the lower 2 outcomes, which resulted in 2 categories instead of the original 4. Such combining of categories is common in circumstances where the sample size is small (Ferguson, 1966:208). This was the case in this research where the sample size was 14. If the draft document had no effect, then the expected theoretical value would be 7 for the Strongly Agree-Agree category, and 7 for the Disagree-Strongly Disagree category. The reason for providing respondents with 4 possible response options, was to mitigate confusion through the use of the same response options provided in the indirect quantitative portion of the study. The Chi-square statistic is indicated as an “ X^2 ” value. The associated probability is represented as a “p” value. By convention, p must be 0.05 or less to be considered statistically significant. So, if $p = 0.05$ or less, then one can be confident that they would get this result by chance less than 5 out of 100 times. The degrees of freedom (DF) for each of the questions in this section is 1, ($DF = \#$ of final categories - 1, i.e.: $DF = 2-1$).

The formula for calculating Chi-square when there are 2 outcome categories is:

$$X^2 = \frac{(O - T)^2 + (O - T)^2}{T}$$

where O = the frequency of observed values in the outcome of each category, and T = a theoretical value (in this case 1/2 of the total sample).

5.9.2 Direct Feedback - Qualitative Measurements

For the qualitative portion, test group respondents were asked to provide open-ended qualitative feedback for five questions that were asked of them regarding the draft document (Supplementary Questionnaire, Section C, Appendix 2). Specifically, respondents were asked:

- what if anything they liked about the draft document?
- what if anything they disliked about the draft document?
- how, in their opinion, could the document be improved to help entrepreneurs in moving through the process to start or alter their business?
- what, if any, information could be deleted from the document to make it more clear and concise?
- if they had any additional comments that they would like to make about the draft document?

5.9.2.1 Direct Feedback - Qualitative Analysis

The qualitative responses, obtained in the direct feedback portion of the study, were categorized in terms of the nature of the comments, and summarized as frequencies and percentages.

5.10 Direct Feedback from Key Informants

The third type of inquiry was in the form of key informant interviews with representatives of bodies that work closely with small businesses and entrepreneurs in Winnipeg. These representatives were able to provide insight from their perspectives as to the utility of the draft document for those with whom they work. The key informants were all provided with a copy of the document prior to their interview, which was arranged after they had a chance to review the document. The feedback was considered 'direct', in that explicit reference was made to the document during the interviews.

Key informants were selected by the researcher in conjunction with the Business Liaison and Intergovernmental Affairs Department. It was important to select a variety of types of organizations that work or deal with entrepreneurs in Winnipeg. A representative from each of the following organizations was selected for a key informant interview:

- The Royal Bank - Department of Marketing, Business Banking;
- Seed Winnipeg Inc.;
- The Winnipeg Chamber of Commerce and;
- Winnipeg 2000, Winnipeg Economic Development Corporation.

The key informant interviews each lasted approximately 45 minutes, and were semi-structured. This meant that a list of questions was used as a guideline to ensure that all relevant questions were covered, but the conversations did not strictly follow these guidelines (Key Informant Question Guidelines, Appendix 5). This allowed the key informants to focus their comments on the aspects of the draft document that they felt were the most important, and accommodated the fact that some of the key informants had already made notes on what they wanted to comment on, prior to their interview. The interviews took place either in person at the key informant's office, or over the telephone, depending on the informant's preference. Comments made by key informants were written down by the researcher during the interviews. Comments made by informants included:

- what they liked about the draft document;
- what they disliked about the draft document;
- what, if anything could be improved about the draft document to help entrepreneurs in moving through the process to start or alter a business and;
- what should be deleted from the draft document to make it more clear and concise.

The qualitative data obtained from key informants was summarized in paragraph form.

5.11 Summary

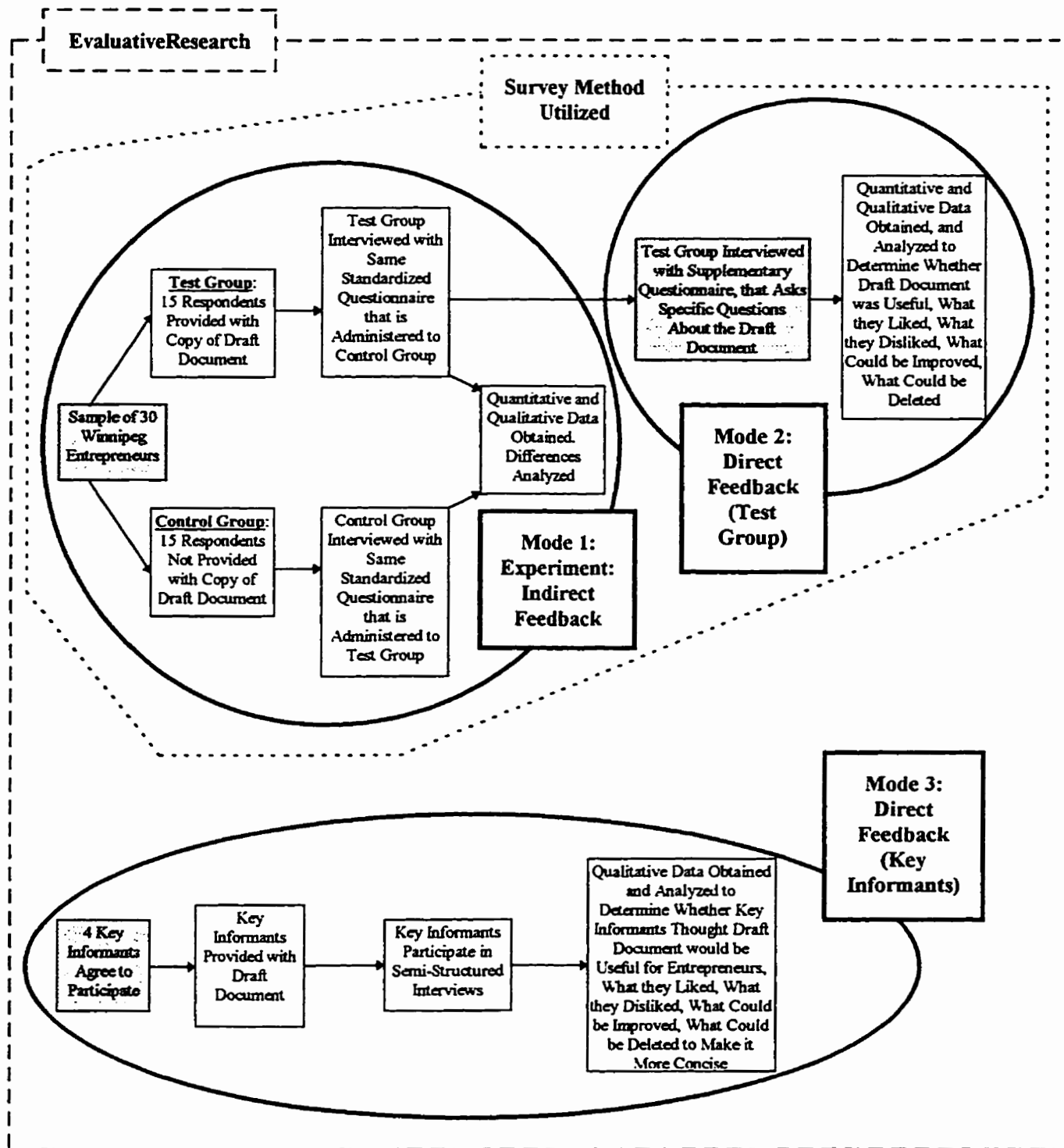
This chapter has outlined the appropriateness of using an evaluation research approach to investigate the utility of the planned intervention - the publishing and

distributing of the draft document “How to Do Business in the City of Winnipeg”, to fledgling and incipient entrepreneurs. (Figure 5.2 provides a graphic summary of the overall design of the research for this practicum.) It also described the three modes of inquiry that were undertaken to conduct this research. The 1st mode involved an experiment, where indirect feedback on the utility of the draft document was obtained from test and control group entrepreneurs. The 2nd mode involved obtaining direct feedback on the document, from test group participants only. Finally, the 3rd mode involved obtaining direct feedback from key informants.

A survey instrument - a standardized questionnaire - was used for data collection during the personal interviews for the first and second modes. For the key informant interviews, the researcher made use of question guidelines, during semi-structured interviews.

The methods of analyzing the data gathered through these methods were also described in this chapter.

Figure 5.2: Overall Design of Practicum Research



Source: Adapted from Zeisel, 1984:71

Chapter 6

Analysis

6.1 Introduction

In order to test the utility of the draft document, “How to Do Business in the City of Winnipeg” in assisting fledgling and incipient entrepreneurs to move through the process to start or alter their business, the three modes of inquiry outlined in Chapter 5 were undertaken. As discussed, these three modes of inquiry involved indirect feedback from the test and control groups, direct feedback from the test group only, and direct feedback from the key informants. This chapter presents the findings obtained through these three modes, and summarizes the results.

6.2 Test and Control Group Respondent Profiles

The profiles of the test and control groups were found to be very similar or the same on each of the following measures (see Main Questionnaire Section E, Appendix 2 for questions, and Appendix 6, Section A6.7 for detailed results):

- gender;
- age;
- language spoken most often at home;
- main source of income;
- highest level of education and;
- previous experience starting or altering a business.

This strengthens the overall results of the study, since it can be concluded that these factors did not play any significant role in differentiating results between the test and control groups.

6.3 Indirect Feedback from Test and Control Groups

As discussed in Chapter 5, for this portion of the study indirect data was collected on the utility of the draft document. The data is considered indirect in that no reference was made to the draft document. Test and control group respondents were treated in the same manner during the interviews, and asked the same questions.

6.3.1 Indirect Feedback from Test and Control Groups - Quantitative Results

The responses of the test and control groups were found to be statistically significantly different for five of the eight questions asked in this section; in each case supporting the utility of the draft document (see Section A of Main Questionnaire, Appendix 2 for questions that were asked, and Appendix 6, Section A6.1 for the tabulated results). The results approach statistical significance for two of the eight questions, also supporting the document, and are not statistically significant for one of the eight questions (in the latter case, there is no trend, however a slight positive effect is apparent in the direction of supporting the draft document). The following section presents the findings.

The five results listed below reflect the responses to the questions that yielded statistically significant results.

- Q 1a. finding out what the legal requirements are;

47% of the test group, and 33% of the control group agreed or strongly agreed that they found it very easy to find out what the legal requirements are to commence or alter their business. The responses of the test and control groups are significantly different for this question ($H = 4.40$, $p = 0.0360$), thus it appears that the draft document had a positive effect on the test group in terms of their determining what the legal requirements are for their business.

- Q 2a. finding out which departments, organizations, or offices they should contact;

20% of the test group, and 60% of the control group agreed or strongly agreed that they found it difficult to find out which departments, organizations, or offices they should contact to inquire about meeting the legal requirements to commence or alter their business. The responses of the test and control groups are significantly different for this question ($H = 4.75$, $p = 0.0293$), thus it appears that the draft document had a positive effect on the test group.

- Q 4a. frustration of determining whom to contact;

20% of the test group, and 60% of the control group agreed or strongly agreed that determining whom to contact to meet the legal requirements to commence or alter their business was frustrating for them. The responses of the test and control groups are significantly different for this question ($H = 4.56$, $p = 0.0327$), thus it appears that the draft document had a positive effect on the test group.

- Q 5a. documentation of the process;

80% of the test group, and 20% of the control group agreed or strongly agreed that they found the process of meeting the legal requirements to commence or alter their business to be documented in a clear and straight forward manner. The responses of the test and control groups are statistically significantly different for this question ($H = 12.30$, $p = 0.0005$), thus it appears that the draft document had a strong positive effect on the test group.

- Q 7a. more information on whom to contact;

27% of the test group, and 67% of the control group agreed or strongly agreed that more information on whom to contact to meet the legal requirements in order to commence or alter their business would have been helpful for them. The responses of the test and control groups are significantly different for this question ($H = 4.84$, $p = 0.0278$), thus it appears that the draft document had a positive effect on the test group.

While the results are not as strong, the two questions with results that approach statistical significance, further support the utility of the draft document. The results of these questions indicate that the draft document had a considerable positive effect on the following.

- Q 6a. the level of frustration in going through the process to commence or alter a business;

47% of the test group, and 80% of the control group agreed or strongly agreed that going through the process of meeting the legal requirements to commence or alter a business had been a frustrating experience for them so far. The responses of the test and control groups are very close to being significantly different ($H = 3.68$, $p = 0.0550$), thus it appears that the draft document may have had a positive effect on the test group for this question. An explanation for why the two groups are not quite significantly different, is that the responses of both groups are clustered around “agree” and “disagree”, with few extremes (see Table A6.1, Appendix 6).

- Q 8a. overall satisfaction with the process;

60% of the test group, and 40% of the control group agreed or strongly agreed that they are satisfied overall with the process they had to move through in order to meet the legal requirements to commence or alter their business. The responses of the test and control groups are close to being significantly different ($H = 3.29$, $p = 0.0697$), thus it appears that the draft document may have had a positive effect on the test group for this question. Again, an explanation for why the two groups are not quite significantly different, is that the responses of both groups are clustered around “agree” and “disagree”, with few extremes (see Table A6.1, Appendix 6).

Finally, as the results below indicate, the draft document appears to have had a slight positive effect on the following.

- Q 3a. ease with which entrepreneurs were able to locate the phone numbers and names of the individuals that they had to contact;

60 % of the test group, and 47% of the control group agreed or strongly agreed that it was easy to obtain the phone numbers and names of individuals that they had to contact in order to meet the legal requirements to commence or alter their business. The responses of the test and control groups are not significantly different for this

question ($H = 0.88$, $p = 0.3494$), however, there appears to be a slight positive effect among test group respondents, especially when the percentage difference between the two groups is taken into account.

One reasonable explanation as to why the results were not stronger in terms of making it easier for entrepreneurs to obtain the phone numbers and names of the individuals is that the document does not provide names of individuals, but rather departments and offices. It logically follows, that if the document assists with numbers and names of departments and offices (which it statistically significantly does), then it should be that much easier to locate the exact individual (and indeed the document has a slight positive effect on this measure).

6.3.2 Indirect Feedback from Test and Control Groups - Qualitative Results

Qualitative indirect feedback comments were divided into eight separate categories. When the ratios of comments are compared between the test and control groups for the qualitative data, the results are in the direction of more positive experiences for the group that was given the document (test group), in each of the categories (see Section B of Main Questionnaire, Appendix 2 for questions that were asked, and Appendix 6, Section A6.3 for the results). These results support the quantitative results and provide further evidence that the draft document does assist the entrepreneur in moving through the process to commence or alter a business.

In summary, qualitative results provide evidence that the draft document assists entrepreneurs by providing information that had the effect of:

- reducing the frustration of not knowing what is required of them early in the process (refer to Table A6.3, Appendix 6 for details);
- making them feel welcomed and encouraged by the City of Winnipeg to start or alter a business (refer to Table A6.4, Appendix 6 for details);
- reducing the frustration regarding the speed of the process (refer to Table A6.5, Appendix 6 for details);
- making it easier to contact the person that they need to speak to for information on the process and to obtain answers to questions (refer to Table A6.6, Appendix 6 for details);
- reducing concern among entrepreneurs about whether they have obtained the accurate information they require from City employees (refer to Table A6.7, Appendix 6 for details);
- reducing the concern about having to deal in some cases with a number of different officials, and/or offices (refer to Table A6.8, Appendix 6 for details);
- reducing the perception of red-tape to start or alter a business (refer to Table A6.9, Appendix 6 for details);
- reducing the perception of need to hire a professional to move through the process (refer to Table A6.10 for details).

One of the most important results pertains to the high proportion of control group respondents that specifically mentioned that they wished they had been provided with a document that outlined the process to commence or alter a business, without having any knowledge that such a document was currently being tested (see Table A6.11, Appendix 6 for details). These un-prompted comments speak very strongly about the importance of enabling entrepreneurs to navigate the required process, through publishing and distributing the document.

Finally, it is important to note that the draft document may not in fact reduce such factors as the actual quantity of regulations or 'red-tape', or the actual number of officials

or offices that an entrepreneur must deal with. However, what is important for the purposes of determining the utility of the draft document, is that it reduces the concern among entrepreneurs regarding these and other factors. It may in fact simply be that the draft document makes the process seem less daunting and provides entrepreneurs with peace of mind so that the perception of certain barriers is diminished.

6.3.3 Indirect Feedback from Test and Control Groups - Speed in Moving Through the Process

Respondents were asked at what stage they were in the process of meeting the legal requirements to start or alter their business (see Section C Main Questionnaire, Appendix 2, for questions). If the document did in fact assist entrepreneurs to move through the process more quickly, then the test group could be anticipated to be at a more advanced stage. All of the control group respondents were at the stage of having filled out all necessary applications, but waiting for replies. All of the test group respondents were at that same stage, except for two, who were at the stage of having met all the legal requirements to commence or make the alteration to their business. This minor difference between the test and control groups is not statistically significant.

Notwithstanding the above, it is instructive to note that qualitative results (Table A6.5, Appendix 6) indicate that the control group commented considerably more often on concerns over the speed of the process. Also, the control group commented more often that it was difficult to locate the people they needed to speak to regarding process information, and they were “transferred all over the place before getting the right person” (Table A6.6, Appendix 6). Thus it appears that the draft document is useful at least in

terms of reducing subjective perceptions of the time it takes to move through the process, if not the length of the process itself. The document may provide entrepreneurs with peace of mind, so that the impact of this barrier is diminished.

In summary, there is no quantitative evidence that the draft document assists entrepreneurs to move through the process to commence or alter a business more quickly. There is however some qualitative data that points in this direction. Additional qualitative data that supports this are comments made by test group participants such as “to have to determine which departments or offices to call for information without this document, would have been very time consuming” (Table A6.12, Appendix 6).

6.4 Direct Feedback from Test Group

As discussed in Chapter 5, explicit reference was made to the draft document during the interviews for the direct feedback portion of the study. This part of the study was restricted to the test group respondents, since only they were provided with a copy of the draft document.

6.4.1 Direct Feedback from Test Group - Time Spent Referring to the Draft Document

The following summarizes the results of questions regarding whether or not respondents actually referred to the draft document, and if so, how many times, and for what duration of time.

- 93% (or 14 of 15) of the respondents said they had read or referred to the document during the two week period before their interview.

- Respondents said they referred to the document an average of 2.43, (range = 1 to 5), times during the two week period preceding their interview.
- Respondents estimated that they spent a total average of 33.21 minutes, (range = 20 to 60 mins.), looking at the document over the two week period preceding their interview.

The fact that all but one respondent referred to the document, indicates a high level of interest in the document, and points to its success. The respondent that did not look at the document said he was under a great deal of stress, and did not have time to refer to it. He gave no further explanation, and it was not possible to reach him over the following three weeks from the date of his interview for further clarification, or to determine whether he had since looked at the document.

6.4.2 Direct Feedback from Test Group - Quantitative Results

The series of 11, quantifiable, direct feedback questions that were asked in this section (see Section B of Supplementary Questionnaire, Appendix 2 for questions that were asked), yielded statistically significant positive results on all measures except a question about whether the document is interesting to read.

71% of respondents agreed or strongly agreed that the document is interesting to read. This result is not statistically significant ($X^2 = 2.57, p > 0.05$). However, there appears to be a small positive effect in the direction of respondents finding the document interesting.

With respect to this exception, it should be noted that several entrepreneurs reported comments to the effect of “I couldn’t really say the document is interesting, but it is if you need to know the information.” (Table A6.16, Appendix 6)

Overall, the quantitative results indicate entrepreneurs have the perception that the draft document (see Table A6.2, Appendix 6 for breakdown of the number of respondents that chose each of the response options):

- made it easier for them to find out what the legal requirements are;

100% of the respondents agreed or strongly agreed that the document made it easier to find out what the legal requirements are to commence or alter their business. This result is statistically significant ($X^2 = 14$, $p < 0.005$).

- helped them determine whom they should contact to inquire about meeting the legal requirements;

100% of the respondents agreed or strongly agreed that the document helped them determine whom they should contact to inquire about meeting the legal requirements to commence or alter their business. This result is statistically significant ($X^2 = 14$, $p < 0.005$).

- helped them determine the phone numbers and names of those they had to contact;

100% of the respondents agreed or strongly agreed that the document helped them obtain the phone numbers and names of those they had to contact to meet the legal requirements to commence or alter their business. This result is statistically significant ($X^2 = 14$, $p < 0.005$).

- helped make the process clearer and more straight forward;

100% of the respondents agreed or strongly agreed that the document helped make the process of meeting the legal requirements to commence or alter their business clearer and more straight forward. This result is statistically significant ($X^2 = 14$, $p < 0.005$).

- helped make the process less confusing and complex;

100% of the respondents agreed or strongly agreed that the document helped make the process of meeting the legal requirements to commence or alter their business less confusing and complex. This result is statistically significant ($X^2 = 14$, $p < 0.005$).

- helped reduce frustration in moving through the process;

79% of the respondents agreed or strongly agreed that the document helped reduce frustration in moving through the process to meet the legal requirements to commence or alter their business. This result is statistically significant ($X^2 = 4.57$, $p < 0.05$).

- was written with entrepreneurs like themselves in mind;

86% of the respondents agreed or strongly agreed that the document was written with entrepreneurs like themselves in mind. This result is statistically significant ($X^2 = 7.14$, $p < 0.01$).

- is neither too technical nor difficult to understand;

93% of the respondents disagreed or strongly disagreed that the document was written in a language that is technical and hard to understand. This result is statistically significant ($X^2 = 10.29$, $p < 0.005$).

- helped them feel confident that they were made aware of what is legally required of them;

79% of the respondents agreed or strongly agreed that the document helped them to feel confident that they are aware of what is legally required of them to commence or alter their business. This result is statistically significant ($X^2 = 4.57$, $p < 0.05$).

- provided them with new information that they did not know before.

93% of respondents agreed or strongly agreed that they learned new information by reading the document. This result is statistically significant ($X^2 = 10.29$, $p < 0.005$).

6.4.3 Direct Feedback from Test Group - Qualitative Results

As discussed in Chapter 5, respondents were asked to provide open-ended qualitative feedback for five questions that were asked of them regarding the draft

document (see Supplementary Questionnaire, Section C, Appendix 2 for questions that were asked and Appendix 6, Tables A6.12 through A6.16, for detailed results).

- 100% of respondents had something positive to say about the document;
- 71% said there was nothing they disliked about it;
- 64% offered suggestions for how the document could be improved to better meet their needs and;
- 100% said nothing should be deleted from the document.

Respondents thought that the draft document is a good introductory document that provides a much needed conceptual overview of what is entailed in starting or altering a business. They thought the document was clearly written and well organized, provides helpful information on what was required of them and by whom, and is indicative of a genuine interest on the part of the City of Winnipeg in smoothing the way for entrepreneurial activity.

While two thirds of the respondents said there was nothing they disliked about the draft document, a couple of respondents were concerned that even with the document they might still miss an important step in the process. Other concerns, mentioned only once or twice, were that the document does not provide enough detail, and that the document may not de-complexify the process adequately to eliminate the need to hire the assistance of a professional. Finally, one respondent noted that while the document assisted with locating departments it was still sometimes difficult to locate the required person within a department.

A few respondents thought the document could be improved if it provided more detailed information. For example, it was suggested that the document could include

detailed information on signage placement and size requirements, and the required ratio of parking spots to building size. Respondents also made minor suggestions for grammatical improvements and content additions, such as the inclusion of the Citizens' Inquiry Service and City Hall Information Service telephone numbers.

When asked if they had any additional comments that they wished to have included in the results of the study, two thirds of the respondents indicated that they appreciated obtaining the draft document, and that it had been very helpful as they moved through the process to start or alter their business.

6.4.4 Direct Feedback - Additional Results

Midway through the interviews, the researcher recognized that there would be no harm done to the integrity of the study if control group respondents were told about the draft document, after their interview was complete. The control group could potentially benefit as well from having the opportunity to have the document as they moved through the remainder of the process. Therefore, the last eight control group respondents were told about the draft document. Of these eight, 100% of them asked if they could have a copy of it, or asked "where can I get a copy of this document?" The researcher provided a copy to each of these respondents. In giving the document to these individuals, they made a number of remarks (see Appendix 6, Table A6.17 for detailed comments). They thought the document would be very helpful and save time through the provision of information such as telephone numbers. They also thought the document would help to reduce the danger of missing important process steps. Control group respondents

commented that the length of the document looked about right; not too lengthy and cumbersome. Finally, they indicated that the document looked better than other pamphlets that they had seen, and that it should be given to all people starting or altering a business.

6.5 Direct Feedback from Key Informants

As discussed in Chapter 5, key informant interviews took place with representatives of a variety of bodies that work closely with small businesses and entrepreneurs in Winnipeg. Interviews were arranged after the key informants reviewed the draft document, and explicit reference was made to the document during interviews.

6.5.1 Direct Feedback from Key Informants - What They Liked About the Document

All of the key informants spoke positively about the draft document overall. They thought the document provides a good comprehensive summary or overview of all the regulatory requirements and the process to start or alter a business in this city. Key informants noted that although there have been smaller informational documents in the past, never before has the City of Winnipeg published an ‘all-in-one’ document for entrepreneurs. They also thought the document would be helpful for entrepreneurs by providing the names and phone numbers of relevant departments or offices that entrepreneurs need to locate. Some of the key informants commented on how well organized they found the document to be, and appreciated the easy-to-follow table of contents. They also liked the fact that the document provides information about important features of the Winnipeg business environment, such as the City of Winnipeg’s Business

Liaison and Intergovernmental Affairs Department, Winnipeg 2000, and the Canada Business Service Centre. One key informant felt that the document will enable some entrepreneurs to move through the process with less reliance on the costly services of a professional. Finally, it was suggested that not only would the document assist entrepreneurs, but also that it might be a good reference handbook for City of Winnipeg employees.

It is important to note that 3 of the 4 key informants indicated that they would like to be able to distribute the document. The Winnipeg Chamber of Commerce normally refers entrepreneurs to the Canada Business Service Centre for information, and would therefore like to see the document made available through this office, rather than distributing it themselves. The Royal Bank representative said he would like to be able to distribute this document as a part of a Royal Bank mail out package to entrepreneurs. He suggested that perhaps the Canadian Bankers Association would be able to distribute the document to the regional offices and business banking centres for all banks in Winnipeg.

6.5.2 Direct Feedback from Key Informants - Suggestions for Improving the Document

Key informants made a number suggestions for ways they thought the document could be improved (see Appendix 6, Section A6.6 for detailed suggestions). One type of suggestion was that certain sections could be better worded so as to convey the importance of the information from an entrepreneur's point of view. A similar point was that some sections could be condensed so as to only include information relevant from an entrepreneur's perspective. Other suggestions were for small content additions.

6.5.3 Direct Feedback from Key Informants - Key Informant Concerns

Keeping in mind that the key informants spoke favorably about the draft document overall, there were some concerns about the document, as well as the process to start or alter a business itself, as follows.

After reading the section on Provincial Licenses, one key informant became aware and concerned about the complexity of the process. The key informant conveyed that while it appears that the City has attempted to streamline the license and permit process, the provincial licensing process is complex, with dispersed licensing departments. It was suggested that it would be easier for businesses if all provincial licensing departments were centralized in one office.

Recognizing the similarities between the Manitoba Industry, Trade and Tourism document “Starting a Small Business in Manitoba”, and the draft document “How to Do Business in the City of Winnipeg”, one key informant wondered if the latter incorporates enough additional information to warrant the cost of publishing the City’s own document. It is relevant to note that this key informant currently distributes the provincial document, and reported that the clientele finds the document “very helpful”. This indicates that if the City of Winnipeg document is published as it currently stands, it will be even more helpful than the already “very helpful” provincial document, since a comparison of the two indicates that the former does include significantly different information, for example the entire first section on “Market Information and Assistance”.

6.6 Summary

In summary, the profiles of the test and control groups were found to be very similar, strengthening the validity of the study results. The analysis of the quantitative indirect feedback from the test and control groups indicated that the draft document assisted entrepreneurs:

- with finding out what the legal requirements were;
- with finding out which departments, organizations, or offices they should contact;
- by reducing the frustration involved in determining whom to contact;
- through the provision of documentation regarding the process to start or alter a business and;
- by providing information on whom to contact.

The draft document also had a positive effect in terms of reducing the level of frustration in moving through the process, and in terms of overall satisfaction with the process. There appears to have been a slight positive effect in terms of the ease with which entrepreneurs were able to locate the phone numbers and names of the individuals they had to contact.

The analysis of the qualitative indirect feedback from the test and control groups indicated that the draft document had the effect on entrepreneurs of:

- reducing the frustration of not knowing what is required early in the process;
- making them feel welcomed and encouraged by the City;
- reducing frustration regarding the speed of the process;
- making it easier to contact the required person to obtain information;

- reducing the concern about whether they had obtained accurate information;
- reducing the concern about having to deal in some cases with a number of different officials, and/or offices;
- reducing the perception of red-tape and;
- reducing the perception of need to hire a professional to move through the process.

While the draft document did not appear to increase the speed in which entrepreneurs moved through the process, it appears to have reduced entrepreneurs' concerns with the speed of the process.

The analysis of the quantitative direct feedback from the test group indicated that the draft document:

- made it easier to find out what the legal requirements were;
- helped entrepreneurs determine whom they should contact;
- helped entrepreneurs determine the phone numbers and names of those they had to contact;
- helped make the process clearer and more straight forward;
- helped make the process less confusing and complex;
- helped reduce frustration in moving through the process;
- seemed to have been written with entrepreneurs like themselves in mind;
- was neither too technical nor difficult to understand;
- helped them feel confident about the regulatory process and;
- provided them with new information that they did not know before.

Entrepreneurs did not find the document particularly interesting to read. However, based on their comments it does not seem that this would deter entrepreneurs from reading it, since it contains valuable information.

In the analysis of the qualitative direct feedback from the test group, all of the respondents had something positive to say about the draft document. Principally, respondents appreciated the document because they thought it provided them with a well-rounded introductory overview of what is entailed in starting or altering a business.

Key informants also spoke positively about the draft document overall, and agreed that it provided a good overview.

Chapter 7

Discussion

7.1 Overall Strengths and Weaknesses of the Draft Document - Mitigating the Regulatory Barrier

The results reported in Chapter 6 indicate that the draft document is useful in assisting fledgling and incipient entrepreneurs to move through the regulatory process to establish or alter a small business in Winnipeg. The draft document met with positive results in both quantitative and qualitative tests, and in both indirect comparisons between results of the test and control groups, and in direct questioning where explicit reference was made to the document. Key informants also spoke positively about the draft document overall. The greatest strengths of the draft document appear to lie in its ability to provide entrepreneurs with a conceptual overview of the concepts and processes that are involved in starting or altering a business, and good general reference information.

The results are weaker in terms of the document assisting with finding names of exact individuals within departments, and detailed information on particular regulatory requirements; for example the required parking to building square footage ratios. Some entrepreneurs made suggestions for the document, such as making it more all-encompassing, listing each regulatory step that an entrepreneur must go through for each type of business, or providing a 'typical story' example, that shows a step-by-step checklist for everything that has to be done for each business type. Other results indicate that entrepreneurs understand it would be impossible to create a document that lists every detailed requirement for every type of business. Several respondents said they think the

document should not be expanded to include every requirement, since it would become too cumbersome and lose effectiveness.

It is clear that the draft document is a tool that provides information to link entrepreneurs to the departments, offices, and information sources that they will need to locate for additional information. The document does not provide the answers to all questions, however it identifies the important issues that entrepreneurs have to deal with, and provides enabling information so that they can more readily obtain the precise information they require for their particular business.

Entrepreneurs and key informants made several good suggestions, and provided observations for ways in which the draft document could be improved (as indicated in Chapter 6 and Appendix 6). Many of these would be relatively minor additions or corrections to the document as it currently stands.

It is unfortunate that entrepreneurs did not find the document more interesting to read. However, it is instructive to note that several respondents stated that although they could not say they found it interesting in a pure sense, it was interesting if they needed to know the information.

Besides the direct positive effects, such as assisting in finding department phone numbers, there appear to be significant spin-off effects of the document. These include making entrepreneurs feel welcomed and encouraged to start or alter a business in this city. While the study did not yield quantitative results that suggest the document helped entrepreneurs to move through the regulatory process more quickly, there are qualitative results indicating that it helped to minimize concern over issues such as the length of time

the process takes, and concern over having to deal with a number of different officials or offices. The document also appears to have had a positive effect on reducing levels of frustration, and increasing the overall level of satisfaction with the regulatory process.

7.2 The Draft Document as a Local Economic Development Initiative

Local economic development was defined in Chapter 2 as initiatives by a local government, or organization funded by a local government, that are undertaken to increase local wealth, as measured in “jobs, income, public goods and services, and quality of life” (Skelly, 1995:1). Chapter 2 also outlined that for the purpose of analysis in this practicum, the success of a local economic development initiative would be measured by its ability to lead to job creation and retention, tax revenue growth, enhanced quality of life (measured in terms of economic growth, e.g.: per capita income), and increased innovation and competitiveness (McGowan & Ottensmeyer, 1993:4).

Small businesses, the result of innovation and identification of a competitive niche, were clearly linked in the early part of this practicum, with creating the majority of new Canadian jobs, with increasing the municipal tax base, with increasing per capita income, and with increased innovation and competitiveness. Therefore, a municipal initiative that successfully encourages the formation and growth of new and young small businesses is accurately described as a local economic development initiative. Since the information-based draft document initiative appears through the research for this practicum to assist entrepreneurs in establishing or altering their business, it may thereby encourage an aspect

of local economic development, in the form of growth and development of new or young small businesses.

7.3 The Draft Document as a Facilitative Approach to Economic Development

Outlined in Chapter 2, were factors that suggest that there is an important role for Canadian municipalities in local economic development; particularly in the form of growth of new or young small businesses. There are however a number of different approaches that municipalities can take (Skelly, 1995:5-6). Blakely categorizes the potential municipal approaches to local economic development into the four categories of: entrepreneur/developer; coordinator; facilitator; and stimulator (1994:69). These potential approaches are described in Table 7.1 below.

Table 7.1 Potential Municipal Approaches to Local Economic Development

Entrepreneur/ Developer:	Coordinator:	Facilitator:	Stimulator:
<ul style="list-style-type: none"> engage fully in the operation of commercial enterprises in partnership with the private sector 	<ul style="list-style-type: none"> develop strategies and objectives for the community in conjunction with other government agencies, businesses and community organizations 	<ul style="list-style-type: none"> foster an improved business environment (for e.g. by streamlining development processes or improving planning procedures and zoning regulations) 	<ul style="list-style-type: none"> stimulate certain types of economic development through targeted initiatives (e.g.: the provision of industrial premises and incubation facilities)

Source: Adapted from Blakely, 1994:69

Clearly the draft document does not fit within the approach of entrepreneur/developer, where the municipal government would engage fully in the

operation of commercial enterprises in partnership with the private sector. Nor does it illustrate the development of community strategies and objectives as in the case of a coordination approach. This leaves the approaches of facilitation and stimulation, within which the draft document could fit.

Since none of the respondents dropped out of the process to start or alter their business, there is no evidence that the document made the difference for entrepreneurs between moving through the entire process to start/alter their business versus not moving through the entire process. This suggests that at least in the short term, the initiative did not stimulate economic development activity that otherwise would not have taken place. The draft document is however consistent with a facilitative municipal approach, in that it improves the existing business environment by providing information that assists fledgling and incipient entrepreneurs to move through the regulatory process to start or alter their business.

Since municipalities have provincially-mandated as well as philosophical constraints that guide the type of approach that they are able or would want to take (Blakely, 1994:69), it is important to understand that the draft document represents a non-interventionist approach. In terms of powers in economic development granted by Province and Territory, all Canadian municipalities must employ initiatives that take advantage of, as opposed to manipulate, market trends (Filion, as cited in Skelly, 1995:6). As an initiative that fits within these constraints, the draft document represents one economic development option available to Canadian municipalities.

7.4 The Draft Document and Mitigating the Barrier of Lack of Adequate Soft Infrastructure of 'Relation-Building'

As discussed in Section 3.6, government can take a business style approach to government management, which encourages behaviour such as gaining power through the hoarding of knowledge for self-interested competitive advantage, or they can take a normative 'humanistic' approach, clearly rooted in a different set of values and beliefs. This would encourage such things as the spread of information, and shared ownership of knowledge for the collective good. The first approach tends to undermine the building of relational richness, whereas the second approach comprises the ingredients for the soft infrastructure of relation-building. Despite some customer-service language within the draft document, (for example p. 5: "The Business Liaison and Intergovernmental Affairs Department is intended to... pursue constant improvement in the quality of *services* provided to the business community", and "... is expected to be a change agent relating to *how the City does business with business*"), the initiative of the draft document appears to be consistent with the latter approach as follows.

The distribution of the draft document may encourage the spread of ownership of knowledge. Since entrepreneurs indicated that they learned new information by reading the draft document, it may be the case that without the draft document a greater portion of knowledge about the process to start or alter a business would be held by city employees and professionals such as contractors and architects only, and less 'owned' by entrepreneurs. The draft document may promote communication through the use of reportedly clear, de-mystifying language that citizens understand. This may enable citizens

to knowledgeably participate or take action in terms of entrepreneurial activity, thus broadening entrepreneurship.

The draft document may also contribute in a long-term way, to the building of relational-richness, so important for the knowledge flow and innovation through which small firms flourish. Through obtaining clear and communicative information about the regulatory process, citizens may be able to more meaningfully engage in knowledgeable interaction and collaborative discussion, about shared concerns involving regulatory issues. The draft document may be a step towards the building of a store of mutual understanding, so that the capacity to collaborate and coordinate more readily in the future, is augmented. Consider for example, how much more meaningfully an entrepreneur may be able to participate in a collaborate review of zoning policies, having read the document, and obtained at least an overview of the regulatory process.

The document may also contribute to the building of relational richness since entrepreneurs interpreted the provision of the document as a sign that the municipal government cares and wants to help them start or alter their business, rather than put up road blocks.

7.5 Implications of Research for the City of Winnipeg's Business Liaison and Intergovernmental Affairs Department

The research conducted for this practicum suggests that the draft document, along with possible revisions, may in fact encourage local economic development by enabling entrepreneurs to more easily navigate the required process to commence or alter their small business. Thus, it is suggested that the Business Liaison and Intergovernmental

Affairs Department take the necessary steps to ensure that the document is published and widely distributed to incipient and fledgling entrepreneurs.

There were three main types of suggestions that entrepreneurs and key informants made for improving the draft document (Chapter 6). The first would involve relatively minor wording and content changes and corrections. The Business Liaison and Intergovernmental Affairs Department should ensure that these suggestions are addressed prior to public release of the document. The second type of suggestions would involve changing the nature of the document, from a concise tool that provides enough information to link entrepreneurs to the various departments and offices that they need to locate for additional regulatory information, to a fully detailed document that would outline each and every requirement and step for each type of business. The Business Liaison and Intergovernmental Affairs Department would not be advised to attempt such changes to the document, since the vast number of business types, and widely varying requirements, would make this impossible. Furthermore, making the document significantly more comprehensive would render it too cumbersome to be of use to anyone, as was pointed out by some of the respondents. A third type of suggestion involves such issues as making the document more interesting to read. Depending on the Business Liaison and Intergovernmental Affairs Department's available resources, they may or may not wish to address these factors, since they do not appear to be critical to the success of the document.

In addition to the feedback about the draft document, a number of broader concerns were raised by entrepreneurs and key informants about the regulatory process.

The Business Liaison and Intergovernmental Affairs Department is responsible for improving the quality of the way the City interacts with the business community, and is intended to act as a change agent in terms of better meeting the needs of businesses. It is therefore suggested that they seize the opportunity to make use of this public participation, by reviewing and acting upon the relevant concerns raised by the individuals that were a part of this study. Given the importance of knowledgeable participation emphasized in this practicum, it is the hope of the author that the informational document will be used by the City as a means to develop some common-ground, for future meaningful collaboration between the City and entrepreneurs, regarding improvements to the regulatory process.

7.6 Area for Further Research

Further research on the potential of information-based initiatives to encourage community economic development may be warranted. Certain barriers to entrepreneurship appear to be particularly acute for low-income and disadvantaged groups (INC., 1994:84). These include the virtually imperative and unavoidable start-up costs of hiring a professional to assist in moving through the regulatory process, as well as the length of time it takes to move through the process to start or alter a business (*ibid*). If the provision of information was able to reduce the need to hire the assistance of a professional to move through the regulatory process, and if it reduced concern with respect to the length of time that it takes to move through the process, then information-based initiatives may have the potential to empower disadvantaged community members,

by opening the door to new opportunities for the disadvantaged to participate in legal economic activity. Further research in this area could be worthwhile.

7.7 Implications for Planners and Planning

As discussed, the building of relational-richness necessary for small businesses to grow and develop, is undermined by a self-interested business-customer relationship between government and citizens. As an alternative, it is suggested that public sector planners should strive to promote the collective interests of society. However, not in a historical sense, where it has been assumed that planners, working for the state would rise above “the vested, corporate interests that usually prevailed”, to objectively discover, articulate, defend, and uphold, a ‘public interest’ (Friedmann, 1996:1). As discussed earlier, it is recognized today that planners, like every other citizen, cannot stand above their own values, beliefs, and view of the world, sufficiently to act alone as protagonists for a ‘public interest’ (Healey, 1997:296). What planners committed to the public interest can do however, is recognize that a ‘public interest’ will be more closely approximated through an increase in the amount of information-driven, knowledgeable participation and interaction, through which planners, (like citizens), derive their own values and beliefs, and determine where to lend their partisan support.

The draft document “How to Do Business in the City of Winnipeg”, provides one example of the type of diverse work that planners committed to a ‘public interest’ can undertake. The document illustrates a commitment to enabling citizens, by linking them with clear and de-mystifying information, so as to encourage their knowledgeable

participation and action; in this case, for the desired outcome of local economic development in the form of new and young small business growth.

Finally, the role of planners in local economic development in the form of new and young small business growth need not be directly related to economic development, as in the case of a planner's involvement with an initiative such as the draft document. Indeed planners have a much broader role through critical, but tangentially related activities.

Planners are increasingly involved in, and increasingly being encouraged by planning theorists to become involved in (Susskind and Ozawa, 1994:5), activities such as conflict mediation, negotiation, and consensus-building, which emphasize collaborative discussion of shared concerns. Through such discussion, people learn about possible impacts, potential ways of valuing and addressing them, about each other, different points of view, and reflect on their own point of view (Healey, 1997:33). Not only do they address whatever issue is at hand, but through the process, they are also building up the relational richness and store of mutual understanding, the capacity to collaborate and coordinate (*ibid*:33), integral to the flow of knowledge and innovation, that new and young small businesses require to flourish.

Appendix 1

Draft Document “How to Do Business in the City of Winnipeg”

How To Do Business In The City Of Winnipeg

DRAFT

February 11, 1997

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INTRODUCTION

The *How to Do Business in Winnipeg* booklet is designed to assist the entrepreneur in establishing a new business in the City of Winnipeg. It deals with the legal requirements with which a new business must comply before it can start operating. It lists the various organizations that provide additional information and assistance. These organizations should be contacted directly to obtain detailed information. Telephone numbers and addresses have been provided.

This publication is a general guide to many basic laws which concern business enterprises. Competent legal counsel should be retained to explain the legal position of complex forms of business organization. It is also desirable that professional accounting assistance be secured, not just for advice on taxation matters, but also for setting up, maintaining and auditing adequate financial records for the business.

During the planning of your business, you should have assured yourself on the most important questions already - whether the type of business you have chosen, its location, its market, its cash needs, its general profitability and possibility of growth are all favourable.

THIS INDIVIDUAL/BUSINESS/CORPORATION/PARTNERSHIP/COOPERATIVE (HEREIN AFTER REFERRED TO AS THE CLIENT) ACKNOWLEDGES AND UNDERSTANDS THAT THE GOVERNMENT OF MANITOBA DOES NOT WARRANT OR REPRESENT THE ACCURACY, SUITABILITY OR APPLICABILITY OF THIS (ATTACHED) INFORMATION AND ASSUMES NO RESPONSIBILITY OR LIABILITY FOR THE USE THEREOF BY THE CLIENT AND ANY THIRD PARTIES AND THAT THE INTERPRETATION USE AND APPLICATION OF SUCH INFORMATION SHALL BE THE CLIENT'S SOLE RESPONSIBILITY.

MARKET INFORMATION AND ASSISTANCE

Winnipeg 2000, Winnipeg Economic Development Corporation

The Winnipeg Economic Development Corporation (Winnipeg 2000) provides support to the business community through its extensive network of business organizations and through its Committee of influential community leaders and Advisors. In addition:

- Winnipeg 2000 maintains current statistical and demographic information on Winnipeg and Manitoba. This data can assist you in site selection, revising business plans, developing marketing strategies or preparing reports or proposals. We also have Economic Development Officers on staff who will assist you in relocating your business to Winnipeg. Contact Winnipeg 2000 to obtain a check list of the statistics available and they will be faxed or mailed back to you.

- Winnipeg 2000 has a collection of promotional literature on Winnipeg, including a brochure, a Facts Synopsis and a video, to help you sell your company outside of Manitoba. This material can provide your customers with a better understanding of the community in which your business is located. The brochure(s) are free and the Facts Synopsis and video are available at cost.

For more information, contact:

Winnipeg 2000, Winnipeg Economic Development Corporation
1100-200 Graham Avenue
Winnipeg, Manitoba R3C 4L5
Phone: (204) 944-2000
Toll Free: 1-800-265-3364
Fax: (204) 956-2615
Web Site: www.wpgecondevp.org

The City of Winnipeg's Business Liaison and Intergovernmental Affairs Department

The Business Liaison and Intergovernmental Affairs Department is intended to move quickly through and between all City systems in order to pursue constant improvement in the quality of:

- services provided to the business community, and
- relationships between the City of Winnipeg and other levels of government.

The Business Liaison department is intended to be an internal mechanism for the long term integration of the City's public service delivery system with Winnipeg's economy. It is to be a focus and a connection, and a window into the City of Winnipeg for business. Most importantly it is expected to be a change agent relating to how the City does business with business.

A close working relationship with Winnipeg 2000, being the economic development agency of record for the City of Winnipeg, will be a critical success factor. Winnipeg 2000 continues to provide much needed leadership in the implementation of economic development plans and acts as a catalyst for business development.

The Intergovernmental Affairs department identifies emerging policy questions, monitors the status of issues and legislative requests and develops strategies, reports and agendas which advance the City's position. The mandate of this department would strengthen the capacity of the Mayor, Executive Policy Committee and Council to deal effectively with other governments.

For further information and assistance:

City of Winnipeg
Business Liaison and Intergovernmental Affairs Department
3rd Floor
City Hall - Administration Building
510 Main Street
Winnipeg, Manitoba R3B 1B9
Telephone: (204) 986-7178
Toll Free: 1-800-413-2166
Fax: (204) 986-7196

Business Improvement Zones

In July of 1987, the Province of Manitoba amended the City of Winnipeg Act to allow for the establishment of Business Improvement Zones (BIZ) within the City of Winnipeg.

The concept is based on the same organizational model that has made shopping malls successful, and help increase each business' portion of the market share. The BIZ concept originated in Toronto in the 1970's and has continued to grow and flourish over the last 20 years. It afforded businesses the opportunity to organize themselves in order to undertake improvements and cooperatively market their businesses in an attempt to halt decline and rejuvenate their area. Since that time the concept has met with tremendous success where as currently Business Improvement Zones have been developed in many major centres across Canada.

A Business Improvement Zone (BIZ) is essentially an association of business people who join together to promote their mutual interest. The basis of their mutual interest stems from their common location within a defined commercial area, and the need to create positive change within this area.

Often, Business Improvement Zones are established by local businesses in response to external pressures on the area that have resulted in decreased consumer activity, loss in sales, and lower profits. The concept of joining together provides the local business district with a collective approach to counteract these negative trends, and to re-establish themselves as a dynamic market place.

Designation of these zones formally occurs through City Council, with financing provided through a special levy which all business in the zone contribute towards and is collected by the City in association with the business tax.

Through the formal designation of a Business Improvement Zone, area businesses can take

direct control over the appearance and image of their area. The special zone levy of the BIZ provides the financial vehicle to exert this control, however it is the collective attitude of the business people that creates the majority of the impact.

Much of the same as the successful marketing techniques employed by shopping malls, the BIZ focuses on the strengths of all of the businesses within the area and through a co-operative approach, promotes the commercial district as a unified entity.

BIZ programming can also be used to further stabilize merchant activity, and to generate new retail markets for the area. In these instances, funds may be used for member seminars and work shops to assist individual merchants with their management of merchandising skills. Alternately, the BIZ can become involved in the preparation of special studies or plans that can lead to future growth for the area.

The above are but a few of the opportunities available through the designation of a Business Improvement Zone. Specific activities will vary depending upon the type of needs present within the commercial area. The important consideration is that the BIZ membership is the entity that creates and directs all of the change that will occur.

While the concept of BIZ suggests that the emphasis for the success of this type of programming relies on the input of the business community, the City of Winnipeg also recognizes the importance of this approach and is committed in its support and encouragement to business groups to examine BIZ as an option for their area.

For more information:

Denis Fletcher
 Business Improvement Zone Officer
 City of Winnipeg
 Community Services Department
 Neighbourhood Programs Division
 4th Floor, 395 Main Street
 Winnipeg, Manitoba R3B 3E1
 Telephone: (204) 986-5109
 Fax: (204) 986-7316

CHOOSING YOUR TYPE OF BUSINESS ORGANIZATION

There are four types of business organizations:

1. Sole proprietorship
2. Partnership
3. Corporation
4. Cooperative

In choosing the type of form most appropriate to your operation, a number of factors ought to be considered: ease of organization, the expected length of the life of the business, financing and management problems, liability for the debts of the business and taxation regulations. Below is a general breakdown of the forms of business and their most important advantages and limitations. Moreover, in most cases, you still have to register or incorporate your business with the Corporations Branch.

There are always two steps to these. First, you must file a business or corporate reservation. (It usually takes about 24 hours to clear a name.) Second, if your proposed name is available, you must file the appropriate forms before ninety (90) days. Otherwise, you will have to file new reservation forms. Do not print business cards and stationery before the name is registered or incorporated. If the name is unavailable, the money spent has been wasted on materials that cannot be used.

1. Sole Proprietorship

A sole proprietorship is a business owned exclusively by a single individual who is alone responsible for its finance and management. The simplicity of its creation, organization and management makes it a particularly attractive form of organization for small operations.

The advantages may be outweighed, however, by its limitations.

- Liability of Debts: Since the owner's personal property and business assets are not legally separate, the owner is personally liable for all debts of the business
- Life Span: The life of the business is confined to that of the owner.

2. Partnership

A partnership is any form of commercial organization other than a corporation existing between two or more persons with a view to profit. With the special exception of the limited partnership discussed below, no formal requirements are necessary to set up a partnership beyond those laid out under the appropriate headings. Your business name must still be registered with the Corporation Branch. Since the legal regulations of the partnerships are quite complex, it is advisable to seek detailed legal advice and to formalize any business agreement in a written form.

The chief advantage of the partnership is that it enables a group of persons to pool their skills and resources in a single operation without the expense of incorporation. On the other hand, the most important disadvantages is the liability of each of the partners for all the

obligations created by fellow partners. By law, every partner in a firm is liable jointly and severally (on his own and with his fellow partners):

- for the full amount of all the debts and obligations incurred in the name of the firm by another partner whether the obligation was authorized by the other partners or not, and
- for any wrongful act or omission by any partner in the ordinary course of the firm's business.

To mitigate the possible harsh effects of complete individual liability the legal system has created two types of partnerships; (a) a general partnership where the liability of each and every partner is as described above and (b) a limited (or special) partnership where a member of a partnership is liable only to the extent of his investment. Rigorous limitations are placed on this latter type of business arrangement. To become and remain a limited partner a person must (a) take no active part in the running of the company nor allow any business to be conducted in his name without prior notice of his special status and (b) register the limited partnership with the Corporation Branch as explained below. Failure to comply with either of these requirements will mean that the limited partner will be treated as a general partner and will assume all the latter's liabilities. The principle underlying the law is that anyone who shares in the management of a partnership ought to share in all the risks to which it is subject. To be sure all legal requirements are complied with, you should retain competent legal counsel.

There are some disadvantages as well to a general partnership:

Taxation: Like the sole proprietorship, the partnership is not taxed as a separate entity. Instead, the individual partner's share of the business income is taxed as part of his/her personal income.

Termination: A partnership must be dissolved and reconstituted every time a partner leaves, retires or dies or when there is an unresolvable disagreement among the partners.

- Contact the Branch for forms and instruction sheets for all above procedures.

3. Corporation

A corporation of limited company is the dominant feature of the modern business world. Not only is it the main instrument of big business, it also rivals partnership as a means of carrying on smaller enterprises. This is so in spite of its being the most expensive to start and complex to operate.

Among the most important reasons for its popularity are:

Limited Liability: Unlike the participants in a sole proprietorship or a partnership, the corporation shareholder is liable only to the extent of his/her actual investment in the shares of the corporation or of any loans he/she may have made to the corporation. Financial risk is thus considerably reduced in starting or running a business. In certain circumstances, in the event of bankruptcy or insolvency of a corporation, a shareholder who is also an officer or director may find himself/herself personally liable to employees of the corporation in respect of unpaid wages.

Taxation: There are also, frequently, certain tax advantages that incorporation may offer, and this aspect should be investigated when planning your business set-up.

You may incorporate your company either under the federal Canada Business Corporations Act or under the Manitoba Corporations Act. Prior reservation of the corporate name is mandatory.

Because of the complexity of the law, legal advice should be obtained.

For detailed information concerning the federal law, contact:

**Canada Business Service Centre
(204) 984-2272**

4. Cooperative

A distinct form of corporation, the cooperative, must be specially noted. There are a number of differences of great importance between it and the ordinary corporation. First, a cooperative is organized and operated for the purpose of providing its members with goods or services. Second, regardless of the number of shares a member possesses, no member has more than one vote. Third, the return on capital investment to the members is limited by legislation. Fourth, the cooperative surplus is returned to the members in the form of patronage refunds sometimes called patronage dividends and each member receives a share of that surplus proportionate to the business done by the member with or through the cooperative. The Cooperative Development Services Branch will be pleased to provide special information and much of the legal expertise you will require to start a cooperative.

For information on starting and incorporation of cooperatives, contact:

**Cooperative Development Services
7th Floor - 155 Carlton Street
Winnipeg, Manitoba R3C 3H8
Telephone: 945-3748**

Toll Free in Manitoba: 1-800-282-8069

It should be noted that cooperatives intending to operate in more than one province can be incorporated under the Canada Cooperative Associations Act. Full information on the latter legislation may be obtained from Canada Business Services Centre 204-984-2272.

Under Manitoba law, it is usually necessary to register the name of a new business (whether you intend to incorporate it or not) with the Corporations Branch of Manitoba, Consumer and Corporate Affairs in Winnipeg. The main reason for registration is to make public the ownership of all businesses where ownership is not apparent from the name.

REGISTRATION OF YOUR BUSINESS NAME

Who Must Register?

If you are alone in your business as a sole proprietor and operate under your own name, registration is not generally necessary, providing you erect a sign in full public view giving your full name. For example, if Mr. Jones is the sole owner of a business he proposes to call J.H. Jones Plumbing, he would not be required to register it.

You will be required to register the name of your business:

- if you intend to carry on business under some name other than your own family name, e.g. Economy Plumbing
- if you are associated in a partnership, e.g. J.H. Jones and F.H. Smith Plumbing.
- if your business name - even though it uses your family name - indicates that more than one person is involved in conducting the business, e.g. Jones & Company.

What Facts Must You Supply?

Prior reservation is mandatory in new registrations. If your business falls within one of the above classes, you must file prescribed forms within one month of beginning business. Your registration forms will provide the following information:

- your full name and place of residence,
- the name under which you intend to carry on business,

- a description of the nature of the enterprise,
- the location of the enterprise,
- if you are in business alone, a statement that no partnership exists,
- if you are in partnership, the full name of all persons involved and a statement of time during which the partnership has existed.

Such registration is effective for three years and is renewable upon application. **FORMS MUST BE FILED AND FEES PAID.** Contact the Branch for prescribed forms.

Changes in Your Business Requiring Registration

Prior reservation is mandatory if a business name is being changed.

Several sorts of alterations in the character of your business must be registered within one month of their occurrence. Any change in its name, ownership or dissolution must be drawn to the attention of the Branch. If your business is a partnership, you must register (a) any alterations of membership, (b) any change in the capital contributed by a limited partner in the case of limited partnership, and (c) the dissolution of the partnership.

Where to Register?

Consumer and Corporate Affairs
Companies Office
10th Floor - 405 Broadway
Winnipeg, Manitoba R3C 3L6
Telephone: 945-2500
Toll Free in Manitoba: 1-800-282-8069

(Cooperatives register with Manitoba Cooperative Development Services - ~~945-3748~~)

OBTAINING LICENCES AND PERMITS

In Winnipeg there are many regulations concerning licences and permits. The

procedure for complying with these regulations concerning licences and permits is complex and difficult to summarize briefly.

However, understanding why these regulations exist will help you to appreciate why the procedure is necessary and as complicated as it often is. Licences and permits customarily serve both to protect the public and established businesses from unfair trade practices and to provide government with essential information on which to base such different activities as tax assessment, aid to business, and labour regulation enforcement. Some businesses may need several licences and permits since frequently two levels of government or a number of different bodies at each level are involved.

In the following, a licence or permit is defined as a document authorizing a person to commence a particular business activity. Because both provincial and municipal governments have separate but overlapping authority with regard to the licensing of many businesses, you will have to check with both to be sure of complete compliance.

Business Licences in the City of Winnipeg

The authority to license in Winnipeg comes from The City of Winnipeg Act.

Zoning Regulations

All Businesses and Home Occupations are required to conform to City Zoning regulations. All owners/tenants must obtain an Occupancy Permit, a Development Permit or an Authorization Clearance from the Zoning Branch.

Business Assessment and Taxation

With regard to City business assessment and taxation, you will be required to pay a percentage of the assessed annual rental value of your premises as determined by City Assessors. You are not required to register to pay business tax. City Assessors will, however, contact you on their yearly canvass of business premises. Any information you may require about business assessment or business tax in Winnipeg can be obtained from the City's Business Assessment Section whose address and telephone number are given at the end of this section.

Home-based businesses must pay a licence in lieu of business tax and the onus is on the individual to contact the City of Winnipeg Licence Branch.

Procedure for Issuing Licences

In Winnipeg, only the 84 businesses and occupations listed in the Licence By-Law No. 6551/95 require licences. Most businesses do not require one. If, for instance you are planning to open a merchandising operation such as a hardware or clothing store, you will be responsible only for paying business tax and conforming to zoning and related regulations. Where licences are issued, they are predominantly regulatory in function; that is to say, they are intended as part of a larger scheme to control businesses which pose special problems to

health, fire safety, disturbance to the physical and social environment and so on. These include most amusement operations, many sales businesses, food-related trades, businesses connected with the maintenance and improvement of buildings and such miscellaneous types of operations as hatcheries, kennels, laundries, and funeral parlours. To obtain a list of these, contact the City of Winnipeg Licencing Branch.

Several types of documents are necessary before the Inspector of Licences can issue you the appropriate licence. In addition to providing certain basic information - such as your name, address, occupation, as well as the name, address and nature of your business - you may require one or more special certificates issued by various civic authorities, including the Medical Health Officer, the Chief of the Fire Department, the Record Review Board of the Police Department, and the Supervisor of Building Inspections. Since the Licence Branch will assist you in obtaining these certificates, you are advised to contact them for guidance.

Two special categories of business should be noted as well. First the City requires that a number of trades post a bond of indemnity, such as auctioneer, pawn-broker, furnace vacuum cleaner, house mover, insulating machine, oil supply service, sign erector and window installer. Second, operations of rides, motor raceways, carting tracks and mobile food vendors must carry a comprehensive general liability insurance policy.

For you information, the insurance requirement for mobile food vendors became effective January 1, 1993.

-
- For complete information concerning compliance with the City of Winnipeg zoning regulations for Occupancy Permits, Development Permits and Home Occupations contact:

**City of Winnipeg Zoning
Development Branch
395 Main Street
Winnipeg, Manitoba R3B 3E1
Telephone: 986-5140**

- All enquiries concerning business assessment contact:

**City of Winnipeg Business
Assessment Section
4th Floor - 65 Garry Street
Winnipeg, Manitoba R3C 4K4
Telephone: 986-2696**

- All enquiries concerning business tax contact:

**City of Winnipeg
Customer Service Tax Branch
Main Flr., 510 Main Street
Winnipeg, Manitoba R3B 3M2
Telephone: 986-2161
Fax: 986-6732**

- For further information concerning licences in Winnipeg, i.e. outdoor mobile food vending units contact:

**City of Winnipeg Licence Branch
Confederation Building
457 Main Street
Winnipeg, Manitoba R3B 1B5
Telephone: 986-6420, -21, & -22**

Occupations conducted from the home should be especially noted. They are subject to a licence in place of the usual business tax and require zoning approval.

Provincial Licences

Provincial licensing functions are distributed among many of the departments of government. The following is a list of provincial departments with authority for various licences related to small business along with appropriate contacts.

Manitoba Agriculture Licences:

- Dairy product plant and margarine facilities
- Bulk milk graders
- Dairy farms (for registration number)

Contact:

**Dairy Program, Animal Industry Branch,
Agricultural Services Complex
Room 204, 545 University Crescent
Winnipeg, Manitoba R3T 5S6
Telephone: 945-7672
Fax: 945-4327**

-
- Artificial insemination and embryo transfer businesses and agencies

Contact:

**Director, Veterinary Services Branch
545 University Crescent
Winnipeg, Manitoba R3T 5S6
Telephone: 945-7650**

- Hatchery operators and dealers in poultry and poultry products

Contact:

**Chief Poultry, Environment & Inspection Services
204 - 545 University Crescent
Winnipeg, Manitoba R3T 5S6
Telephone: 945-7677
Fax: 945-4327**

- Pesticide dealers and commercial applicators

Contact:

**Pesticide Licencing
204-545 University Crescent
Winnipeg, Manitoba R3C 0P8
Telephone: 945-7706**

- Farm machinery dealers, vendors and suppliers

Contact:

**Manitoba Farm Machinery Board
915 - 401 York Avenue
Winnipeg, Manitoba R3C 0P8
Telephone: 945-3856**

- Milk, eggs, honey, broiler chicken, broiler hatching eggs, turkey, hogs and vegetables

Contact:

**Manitoba Natural Products
Marketing Council**
915 - 401 York Avenue
Winnipeg, Manitoba R3C 0P8
Telephone: 945-4495

Note: Eight Producer Marketing Boards and Commissions are established in Manitoba. Each Board has specific regulations regarding the sale of their product. You should check with the Natural Products Council which will in turn advise you of which of the boards to consult.

Manitoba Liquor Control Commission Licensing:

- All transient accommodation, such as hotels and motels, where liquor is served
- Areas in such businesses associated with the food and beverage industry where liquor may be served i.e. Restaurants, Dining Rooms and Cocktail Lounges (*NOTE: Since all business involved in the serving of liquor must conform to certain specifications with regard to design and operation, businesses consideration such operations are strongly advised to contact the Liquor Control Commission for full information before they rent or build premises.*)

Contact:

Licences and Permits Department
Liquor Control Commission
P.O. Box 1023, 1555 Buffalo Place
Winnipeg, Manitoba R3C 2X1
Telephone: 474-5612

Justice Department Licences:

- Security firms and security personnel, private investigators

Contact:

Law Enforcement Services - The Private

Investigators and Security Guards Act
5th Floor - 405 Broadway
Winnipeg, Manitoba R3C 3L6
Telephone: 945-2887
Fax: 945-2217

- **Firearms Business Permits:**

Contact:

Chief Provincial Firearms Officer
Law Enforcement Services
5th Floor - 405 Broadway
Winnipeg, Manitoba R3C 3L6
Telephone: 945-4379
Fax: 945-2217

Manitoba Family Services Licences:

- **Child Care Centres**
- **Family Day Care Homes**

Contact:

Child Day Care
Main Floor - 114 Garry Street
Winnipeg, Manitoba R3C 1G1
Telephone: 945-2197

Manitoba Consumer and Corporate Affairs requires registrations, licences and in some cases bonds from:

- **Sellers and companies involved in direct selling to the public such as at fairs and door-to-door**
- **Collection Agents**
- **Hearing aid dealers**
- **Bedding, upholstered and stuffed articles - manufacturers and renovators**
- **Charitable organization soliciting province wide are duly authorized through this department under The Charities Endorsement Act**
The Consumers' Bureau will also discuss the rights and responsibilities of small dealers

in the above areas as well as areas where retail transactions are involved.

Contact:

Consumers' Bureau
302 - 258 Portage Avenue
Winnipeg, Manitoba R3C 0B6
Telephone: 945-3800
Toll Free in Manitoba: 1-800-782-0067
Fax: 945-0728

For information on insurances and bonding contact:

Manitoba Consumer and Corporate Affairs
Insurance Branch
Telephone: 945-2542

- Cemetery owners and funeral directors
- natural gas brokers

Contact:

Public Utilities Board
2nd Floor - 280 Smith Street
Winnipeg, Manitoba R3C 1K2
Telephone: 945-2638

Public Utilities Board is responsible for the Cemeteries Act and the Prearranged Funeral Services Act and the registration of natural gas brokers

- Board of Administration for Embalmers & Funeral Directors Act - 945-3742
-

Environment Legislation and Agreements

Manitoba Environment is responsible for the development and maintenance of an environmental management system designed to ensure the environment is looked after in such a manner so as to sustain a high quality of life for Manitobans today and in the future. The new Manitoba Environment Act (E125CCSM, 1987) provides for the review of any development which is likely to have a significant impact on the environment. An

environmental assessment and review process has been developed to review projects which may impact on the environment.

For more information on the environment assessment and review process, what constitutes a development or the Environment Act and regulations, please contact:

**Manitoba Environment
Environmental Approvals
Building 2, 139 Tuxedo Avenue
Winnipeg, Manitoba R3N 0H6
Telephone: 945-7071**

- Food handling establishments

Contact:

**District Public Health Inspector
c/o Manitoba Environment
Bldg. 2-139 Tuxedo Avenue
Winnipeg, Manitoba R3N 0H6
To contact your district public health inspector
call: 945-7100
Fax: 945-5229**

**City of Winnipeg Health Inspection
280 William Avenue
Telephone: 986-2444
Fax: 947-3957**

Manitoba Securities Commission:

- Real Estate Brokers, Salesmen & Mortgage Dealers

Contact:

**The Registrar
Real Estate Brokers Act
Room 1118 - 405 Broadway
Winnipeg, Manitoba R3C 3L6
Telephone: 945-2562**

- Matters pertaining to securities & investments

Contact:

**The Director
Manitoba Securities Commission
1128 - 405 Broadway
Winnipeg, Manitoba R3C 3L6
Telephone: 945-2548**

Manitoba Natural Resources:

- All transient accommodation facilities requesting a dedication of natural resources such as hotels, motels, lodges, resorts, outfitters, out camps, tourist campgrounds, vacation farms, bed and breakfast apply to:

**Regional Services Headquarters Operation
Box 44, 200 Saulteaux Crescent
Winnipeg, Manitoba R3J 3W3
Telephone: 945-1008**

- Fur dealers in stores, private dwellings, auctions, as well as travelling fur dealers

Contact:

**Fur Dealers' Licence Clerk
Box 66, 200 Saulteaux Crescent
Winnipeg, Manitoba R3J 3W3
Telephone: 945-1397**

Department of Education & Training:

- Information on apprenticeship programs and examination certification of tradespeople
- Information to qualify for licensing of improver, journeyman and master barber/stylist in all cities and incorporated towns
- Information to qualify for licensing of hairdressing, beauty treatment and manicuring salons
- Information on examinations and licensing of hairdressers, manicurists and skin specialists

Contact:

**Manitoba Education and Training
 Director, Apprenticeship & Training
 Room 816 - 401 York Avenue
 Winnipeg, Manitoba R3C 0P8
 Telephone: 945-3337**

Manitoba Education Registration:

**Please note under The Private Vocational Schools Act schools are only registered, never licensed or accredited.*

- Private vocational schools such as business colleges and schools of hairdressing, radio announcing, modelling, bartending, and tax preparation
- Correspondence schools

Contact:

**Manitoba Education and Training
 Room 417 - 185 Carlton Street
 Winnipeg, Manitoba R3C 3J1
 Telephone: 945-8507
 Fax: 945-1792**

Manitoba Finance Licences and permits:

- Dealers in propane, gasoline, diesel and heating fuels
- Inter-provincial trucking operators
- Dealers in tobacco products
- Dealers in electricity, natural gas and coal
- Retailers and other businesses affected by The Retail Sales Tax Act
- Operators of racetracks where pari-mutuel betting takes place

Contact:

**Taxation Division
 101 - 401 York Avenue
 Winnipeg, Manitoba R3C 0P8
 Telephone: 945-6444
 Toll Free in Manitoba: 1-800-782-0318**

Manitoba Highways and Transportation licences:

- All drivers
- Auto wreckers contact: 945-6294
- Commercial driving schools and instructors: 945-0180
- Salesmen and dealers in trucks, cars, motorcycles, trailers, snowmobiles, and other vehicles: 945-6294
- All motor vehicles including commercial vehicles, taxis, U-drives and all vehicles required to be registered under the Highway Traffic Act and Snowmobile Act

Contact:

**Driver and Vehicle Licensing
Highways Services Building
1075 Portage Avenue
Winnipeg, Manitoba R3G 0S1
Telephone: 945-6850**

**Manitoba Labour
The Employment Standards Branch**

The Employment Standards Branch administers various statutes and their regulations concerning employment standards laws in Manitoba.

The Employment Standards Act
The Construction Industry Wages Act
The Payment of Wages Act
The Remembrance Day Act
The Retail Businesses Holiday Closing Act
The Vacations With Pay Act
The Employment Services Act

The Branch enforces the standards set by law regarding the minimum wage, standard hours of work, general holidays, vacation, termination of employment, maternity leave, and other workplace benefits.

Child Employment Permits for persons under 16 years of age are issued by the Branch upon approved application.

The Employment Services Act requires that employment agencies intending to operate within the province, obtain an Employment Agency Licence, upon application to the Branch with the required fee.

Main Office

604-401 York Avenue (Norquay Building)
Winnipeg, Manitoba R3C 0P8

GENERAL INQUIRY

Telephone: (204) 945-3352

Fax: (204) 948-2085

Workplace Safety and Health Branch

The Workplace Safety and Health Act (CW210, 1976) applies to all workplaces in Manitoba which normally fall under the jurisdiction of the legislature of Manitoba.

The duties and responsibilities for occupational safety and health are set out in the Act and its 13 supporting regulations. These duties and responsibilities will be of particular concern to:

- employers
- safety and health committee members
- workers
- safety and health worker representatives

Several of the regulations under the Workplace Safety and Health Act may have an impact on small business in Manitoba. These include:

- WHMIS MR52/88
- Workplace Health Hazard MR53/88
- Workers Working Alone MR105/88R
- Workplace Safety MR108/88R

The Division administers activities ranging from training and consultation to enforcement of workplace safety and health legislation. For further information on your responsibilities concerning safety and health, please contact the Workplace Safety and Health Branch of Manitoba Labour.

Winnipeg Area

Manitoba Labour
Workplace Safety and Health Branch
200 - 401 York Avenue
Winnipeg, Manitoba R3C 0P8
Telephone: 945-3446

Manitoba Labour:

Operators' licences for electricians and TV repair, gas fitters, oil burner installers, and power

engineers

Contact:

**The Director, Mechanical and Engineering Branch
Room 500 - 401 York Avenue
Winnipeg, Manitoba R3C 0P8
Telephone: 945-3373**

(As an illustration of the occasional special requirements involved in setting up certain technical services there is, for example, the position of the journeyman electrician who might wish to set up as an electrical contractor. In the City of Winnipeg, he/she must be examined and decertified by Manitoba Labour, and then take out a contractor's licence with the City, which also grants wiring permits and inspects the work. In the municipal area, one usually requires a municipal business licence and obtains wiring permits from the nearest inspection representative of Manitoba Hydro).

HUMAN RESOURCES DEVELOPMENT CANADA, LABOUR PROGRAM

Recent changes to the structure of the federal government resulted in the incorporation of the former Labour Canada into the new department Human Resources Development Canada, Labour Program. Our role remains the same, that is, to promote a fair, safe, healthy, stable and cooperative work environment.

The Canada Labour Code applies to all workplaces under Federal jurisdiction. Part II of the Code sets out the standards that relate to Occupational Safety and Health. Part III of the Code establishes minimum Labour Standards (wages, standard hours of work and overtime rates, annual vacation, general holidays, sick leave, bereavement leave, maternity and child care leave).

- Effective accident prevention benefits employers, employees and their families throughout:
 - fewer injuries and illnesses
 - reduced pain and suffering
 - higher morale among workers
 - lower compensation premiums for industries that reduce their accident rates

Safety Officers conduct inspections, provide information on occupational safety and health matters and assist in the establishment of Safety and Health Committees.

Further information may be obtained by contacting our Labour Program office:
**Human Resources Development Canada
Labour Program, Manitoba Region**

Room L-01, 344 Edmonton Street, McDonald Bldg.
 Winnipeg, Manitoba R3B 2L4
 Telephone: (204) 983-6375
 Fax: (204) 983-1248

TAXES AND DUTIES

Provincial Taxes

Taxation Acts contain important exemptions as well as particulars of tax collection and remittance. More information may be obtained directly through the office or phone number shown below:

Winnipeg Office
 Manitoba Finance - Taxation Division
 101 - 401 York Avenue
 Winnipeg, Manitoba R3C 0P8
 Telephone:
 General Office: 945-6444
 Tax enquiries and interpretations: 945-5603
 Toll Free in Manitoba: 1-800-782-0318

-Retail Sales Tax

Under Manitoba's Retail Sales Tax Act, the provincial government imposes a tax on all retail sales, i.e. on all sales to consumers and users for the purpose of consumption or use and not for resale. All taxable goods and services are taxed at 7%. All retailers are required by law to register with Manitoba Finance. The tax is collected only once - from the ultimate consumer - so that, even if you are a wholesaler or manufacturer doing no retail business, you should register with the department in order to purchase free of the tax all materials you will resell or use in the production of your other goods. Since no Manitoba Sales Tax is usually paid at the source on goods reduced outside the province, all contractors and others who bring such goods into Manitoba must register for the purpose of remitting the tax.

-Corporation Capital Tax

A tax on annual paid-up capital of corporations which have a permanent establishment in Manitoba.

-Health and Post Secondary Education Tax Levy (Payroll Tax)

A tax, paid by employers with a permanent establishment in Manitoba, on the monthly salaries, wages, etc. paid to employees.

-Other Provincial Taxes

Wholesalers, retailers, dealers, operators and others whose business involvements related to gasoline, propane, diesel and heating fuel, electricity, natural and manufactured gas, coal, interprovincial trucking, tobacco products and pari-mutuel betting should obtain important information by contacting the office or phone numbers shown above.

Goods and Services Tax and Excise Tax

The Excise Tax Act (federal legislation) imposes both the Goods and Service Tax and Excise Tax.

The Goods and Services Tax (GST) replaced the Federal Sales Tax (FST) January 1, 1991. The majority of goods and services sold or provided in Canada are taxable under the GST at 7%. Some goods and services including prescription drugs, basic groceries, medical devices and all exports are zero-rated (taxed at a rate of 0%). Also a limited number of services including health care, educational services, child and personal care services are exempt from the GST.

Every business or organization engaged in a commercial activity with annual sales and revenues of GST - taxable goods and services (including zero-rated goods and services) of more than \$30,000 will be required to register. Businesses that are registered for GST will be able to claim a credit (referred to as an input tax credit) for the GST paid or payable on business purchases. The credit is applied against the GST charged on sales to determine whether tax should be remitted or a refund claimed.

The Excise Tax Act also imposes excise tax on a limited number of items, including cigarettes and other tobacco products, wines, motor fuels, automotive air conditioners, jewellery, goldsmiths' and silversmiths' products. The excise tax is applied either at a specific rate or as a percentage of the manufacturer's sale price and is in addition to the GST. Manufacturers or producers of goods subject to excise tax are required to apply for and operate under an excise tax licence.

For more information on these and other related matters, please contact:

Winnipeg Tax Services Office
2nd Floor - 325 Broadway Avenue
Winnipeg, Manitoba R3C 4T4

Telephone: 983-3918 for service in English
983-6188 for service in French

Toll free from outside Winnipeg:
1-800-959-5525 for service in English
1-800-959-7775 for service in French

Customs/Duties

Imported goods may be subject to customs duties and to the GST and excise taxes described under the previous section. Some goods are prohibited entry and others require import permits or inspection certificates. There are detailed regulations concerning invoicing, classification of goods, rates of duties and reductions or exemptions for special classes of articles. For details please contact:

Revenue Canada
Customs Border Services
145 McDermot Avenue
Winnipeg, Manitoba R3B 0R9
Telephone: 983-6393

Personal and Corporate Income Tax

Both the provincial and federal governments impose separate taxes on personal and corporate income, all of which are collected by the federal Department of National Revenue. Because of the detailed accounting procedures involved, you would be well advised to have a competent and experienced accountant prepare your income tax return for whatever sort of business you will be operating. For the more complex forms of business organization, like the partnership and the corporation, such assistance is virtually essential.

Every resident of Canada is liable to pay federal and provincial personal income tax on all earnings from all sources. A number of non-refundable tax credits are allowed: in addition to the more familiar non-refundable tax credits for oneself, spouse and children, for pension fund contributions and medical expenses, the businessperson who chooses not to incorporate will be particularly interested in deductions for expenses incurred while earning business income. In Manitoba, an individual's provincial tax is based on percentage of the federal tax and on percentage of net income. The provincial tax is added on to the federal tax.

As explained earlier, your tax situations partly determined by your form of business organization. The sole proprietor's income and the individual shares of each of the partners in a partnership are taxed as personal income. A corporation, however, is in a very different situation: in the eyes of the law it is an artificial "person" and can be taxed in much the same way as an individual. Both federal and provincial taxes are levied on much the same basis - on the income remaining after allowable deductions. In 1994 the federal rate was set at 38% (with a 10% abatement for payment of provincial tax, making the actual rate 28%) and the provincial rate at 17%. The small businessperson should particularly note that a lower rate of income tax has been levied on small businesses as an incentive. The present rate is 10% Provincially. If engaged in manufacturing or processing there are further tax advantages Federally. Contact your local taxation office for further details.

The self-employed person is in a special position with regard to the submission of tax, in that he/she is required to make installment payments on a quarterly basis to his/her District Tax Office. He/she is in effect making the deductions required of all employers but in this case from his/her own income (Incorporated companies are also required to prepay taxes on a monthly basis).

For information on matters relating to personal and corporation income tax, contact:

Revenue Canada
 Tax Services Office
 325 Broadway
 Winnipeg, Manitoba R3C 4T4
 Telephone: 983-3918 for service in English
 983-6188 for service in French
 Toll free from outside Winnipeg:
 1-800-959-5525 for service in English
 1-800-959-7775 for service in French

Small Business Tax Reduction

The Small Business Tax Reduction, introduced in the August 1988 Budget, provides income tax relief to new small business corporations for the first five taxation years. The relief currently applies to corporations incorporated under The Corporations Act, the Co-operatives Act, or The Credit Unions and Caisses Populaires Act from August 8, 1988 to December 31, 1992. (Five year program.)

This program recognizes the importance of entrepreneurship in Manitoba, and the difficulties encountered in launching new businesses.

In their first year of operation, eligible new small businesses will be exempt from provincial incorporation income tax on the first \$200,000 of active business income. For the next four years, they pay tax at a reduced rate.

The program is administered by Manitoba Department of Finance and by Revenue Canada. Inquiries may be directed to:

Manitoba Tax Assistance Office
Room 309, Norquay Building
Winnipeg, Manitoba R3C 0P8
Telephone: (204)943-3401 in Winnipeg
Toll Free in Manitoba: 1-800-782-0771

WAGE DEDUCTIONS

Employment Insurance, Canada Pension Plan and Employees' Income Tax

All employers are required by federal law to deduct Employment Insurance premiums, Canada Pension Plan contributions, and income tax from remuneration paid to employees. These payroll deductions, together with the employer's share of Employment Insurance premiums and Canada Pension Plan contributions, are remitted to Revenue Canada. Enquiries concerning payroll deductions should be directed to the Winnipeg Tax Services office. For information on benefits under the Canada Pension Plan or Unemployment Insurance, contact Human Resources Development Canada.

An employer should contact the Tax Services Office as soon as he or she registers a new business and expects to hire employees. A business number, which should be used in all dealings with the department in connection with payroll deduction matters, will be issued. Detailed instructions on source deduction matters are contained in two Revenue Canada publications: Payroll Deductions Tables and Employer's Guide to Payroll Deductions, both available on request.

Each year, employers must provide their employees with T4 and T4A supplementary forms showing income and deductions. Information Returns for each calendar year must also be filed with Revenue Canada by the last day of February of the following year.

Self employed individuals are required to submit income tax and Canada Pension contributions in quarterly installments. The social insurance number should be provided with each payment. If it is uncertain whether an employer-employee relationship exists, a ruling can be obtained from Revenue Canada.

For more information on source deductions, contact:

**Revenue Canada
Tax Services Office
325 Broadway
Winnipeg, Manitoba R3C 4T4
Telephone: 983-3918 for service in English
983-0076 for service in French
Toll Free from outside Winnipeg:
1-800-542-3441 for service in English
1-800-542-3441 for service in French**

For information concerning records of employment contact your nearest Canada Employment Centre, which is listed under Human Resources Development Canada in the grey border pages at the back of your telephone book.

WORKERS COMPENSATION CONTRIBUTIONS

The Manitoba Workers Compensation Act provides for benefits to workers employed in compulsory industries under the Act who sustain personal injury; or suffer from an industrial disease arising out of and in the course of their employment. Coverage for workers employed in industries not under the compulsory provisions of the Act is available on a voluntary basis on special application subject to Board approval.

The Manitoba Workers Compensation Act requires that employers in industries listed in Section 73 of the Act report to the Workers Compensation Board when first employing a worker, whether on a regular or casual basis. An estimate of all workers' earnings up to the current legislated maximum for each worker must be submitted. The employer will be assessed on this payroll estimate at the rate established by the Workers Compensation Board for that industry. If more than one industry is carried on, a separate payroll estimate is to be made in respect of each industry. It is important that an accurate payroll record be maintained, showing the names of workers, the period works, and their total earnings during the calendar year.

By February 28th of each subsequent year, the employer must submit a statement of workers' actual earnings for the previous calendar year and an estimate for the current year. On the basis of this report, an adjusted assessment is made. The assessment is payable entirely by the employer and in accordance with The Workers Compensation Act, no deductions or contributions from the workers are permitted.

Optional Coverages

a) Directors/Partners/Sole Proprietors

Coverage is not in effect for directors of corporations, sole proprietors or partners unless a special application for coverage is received and approved by the WCB. Prepayment of the assessment is required upon initial application.

Coverage may be obtained upon any figure between the current years minimum and maximum assessable earnings. However, in the event of a work related, time loss accident, benefits will be based on an advanced rate until substantiation of earnings is received in the form of the previous year's T4's for directors, or the previous year's Income Tax Return, Income Statement, and Capital Cost Allowance Schedule for the partners or sole proprietors.

Benefits will be based on the lesser of:

- i) The previous year's actual as reported to the WCB,
- ii) Estimated earnings for the current year,
- iii) Substantiated earnings based on previous year's taxation information.

If the current year's earnings are greater than the prior year's earnings, benefits will be based on the current year's earnings (upon substantiation) up to the level of coverage in effect. All benefits calculations are subject to WCB's average earnings policy. Please contact our Benefits Branch for details on the WCB's average earnings policy.

b) Resident Members of Family of a Sole Proprietor

Coverage is not in effect for a resident member of family of a sole proprietor, partner or director unless special application for coverage has been received and approved by the WCB. The member of family must be paid in the same manner as other workers and accurate payroll records maintained for audit purposes.

Out-of-Province Work - Coverage may be in effect for operations which are conducted outside of Manitoba. It is advisable to check with this office, as well as with the Board of the province in which the work is being conducted, concerning your responsibilities.

Injury to Workers - If a worker is injured or suffers from a job-related industrial disease, the employer must notify the WCB. Additionally, when a worker returns to work, the employer should notify the WCB. (Forms are available upon request.) These reports must be submitted by the employer or a properly authorized official. Employers should

instruct each worker to report all accidents immediately, whether of a minor or serious nature.

Benefits - Based on medical data, a worker who is injured by an accident arising out of and during the course of employment may receive payment for time loss from work starting the day after the accident. Benefits are paid at the rate of 90% of net earnings at the time of the accident, between the legislated minimum and maximum. Necessary medical and hospital costs are covered, and vocational rehabilitation services are provided when required. In addition, benefits are available to dependents of fatally injured workers.

NOTE: Maximum individual earnings, assessment rates, and compensation benefits are subject to review and revision annually. Check with the Workers Compensation Board for up-to-date information.

For information concerning the employer's responsibilities under The Workers Compensation Act, contact:

**Workers Compensation Board
Assessment Customer Services
255 Sherbrook Street
Winnipeg, Manitoba R3C 2B8
Telephone: 786-9505
Toll Free in Manitoba: 1-800-362-3340**

FURTHER INFORMATION

Information and advice concerning all aspects of establishing and running a small business may be obtained by contacting:

**Manitoba Industry, Trade and Tourism
Business Resource Centre
7th Floor - 155 Carlton Street
Winnipeg, Manitoba R3C 3H8
Telephone: (204) 945-7738
Toll Free in Manitoba: 1-800-282-8069
Fax: (204) 945-2804**

Canada Business Service Centre (CBSC)

The Canada Business Service Centre is designed to improve business access to a wide range of information on government services, programs and regulations. The Centres are a collaborative effort between federal, provincial and private sector organizations. There is a CBSC in major urban centres in each province. Services include:

- **Canada Business Service Centre Library and Research**
The Canada Business Service Centre Library contains a wide range of business and trade information and provides in-depth, problem-solving research services in response to complex inquiries.
- Information is available on demand via the Faxback service @ 1-800- 665-9386.
- The Business Service Centre has a variety of databases and CD-ROMs on-site for immediate access to a wealth of information on licensing, new technology, growing a business, industry trends, advanced manufacturing, international trade and more.

For more information, contact:

Canada Business Service Centre
8th Floor, 330 Portage Avenue
Winnipeg, Manitoba R3C 2V2
Telephone: (204) 984-CBSC (2272)
or call toll-free in Manitoba 1-800-665-2019
Fax: (204) 983-3852
Faxback (204) 984-5527 (24 hours)
or call toll-free in Manitoba 1-800-665-9386

CONTACT! The Canadian Management Network

CONTACT!, part of *Strategis*, Industry Canada's new web site, is a source of Canadian contacts for business management advice, skills development, software tools, services, and useful management publications. It also includes a directory of organizations and associations which can assist your clients manage and develop their business.

<http://strategis.ic.gc.ca/contact>

Strategis is Canada's largest business Web site, providing easy, direct access to Industry Canada's extensive expertise and information resources which includes 500,000 pages of searchable text, 2 gigabytes of statistical data, and hot links to Canadian and international business information databases.

<http://strategis.ic.gc.ca>

Appendix 2

**Telephone Screener, Consent Form,
Main & Supplementary Questionnaires**

Telephone Screener

Hello, could I speak with (name of contact) please.

Hi, my name is Laura Evans and I am calling on behalf of the City of Winnipeg's Business Liaison and Intergovernmental Affairs Department. The reason I am calling is because a study is being conducted among Winnipeg entrepreneurs in order to obtain feedback on their personal experiences in establishing or altering a business. The results of the study will be used if possible to improve the process that entrepreneurs must undergo in order to meet the legal requirements to commence or alter a business. This study is being conducted as part of my Master's of City Planning Degree at the University of Manitoba. It has been reviewed by the Faculty of Architecture Ethics Committee, at the University of Manitoba. Please feel free to contact my advisor Professor Ian Skelton at 474-6417, if you have any questions about this study.

All information provided by participants for this study will remain confidential, in that the write-up for the study will not in any way reveal the business or entrepreneur's name. The results of the study will be published through the University of Manitoba Architecture Fine Arts Library, with my name as the author. I will also provide the results to the City of Winnipeg's Business Liaison and Intergovernmental Affairs Department. Those that participate in the study will be randomly divided into two groups, both of which will be treated somewhat differently from each other. If you participate in this study, I would like to arrange to meet with you over the next couple of days for a five minute initial interview, and then once again in two weeks for an interview that will take approximately twenty minutes. Your participation in this study is voluntary. Would you be willing to participate in this study?

- () No > if no, thank and terminate call
- () Yes > if yes, ensure that the business is small, locally owned/operated, and that the respondent is involved in the process
- arrange for an appointment and fill in the section below

Appointment Time: _____

Business Name: _____

Contact Name: _____

Position Title: _____

Date: _____

Location/Address: _____

Telephone #: _____

CONSENT TO PARTICIPATE IN STUDY

I, _____, agree to participate in this study which is being conducted by Laura Evans from the Department of City Planning at the University of Manitoba, on behalf of the City of Winnipeg's Business Liaison and Intergovernmental Affairs Department. Laura Evans has explained to me that this study is being conducted among Winnipeg entrepreneurs about their individual personal experiences in going through the process of meeting the legal requirements to commence or alter a business, and that the results of the study will be used if possible to improve this process.

I understand that my participation in this study is voluntary, and that I can refuse to be interviewed if I want to do so. I understand that if I agree to participate in the study, it will entail approximately twenty minutes of my time, for an interview with Laura Evans, in about two weeks. At this interview I will be asked for feedback about my experiences in going through the process of establishing or altering a business.

I understand that the information I provide for this study will be kept confidential in that the results will not be released in a way which would allow me to be identified. I understand that neither my name nor that of my business will be revealed in any way in the write-up for the study.

I provide my informed consent to participate in this study:

Signature of Person to be Interviewed

Signature of Laura Evans

Date

Main Questionnaire

In-person Interview Introduction:

Before starting the survey, I would like to briefly review that I am interviewing you as part of a study that is being conducted among Winnipeg entrepreneurs on their personal experiences in establishing or altering a business. The results of the study will be used if possible to improve the process that entrepreneurs must undergo in order to meet the legal requirements to commence or alter a business. All of the information that you provide for this study will remain confidential, in that the write-up for the study will not in any way reveal your name or that of your business.

Definition of the term "Process" for this study:

Throughout this survey I will ask you questions about your experiences in moving through the "process" to commence or alter your business. By "process" I am referring to all of the steps that you have either already gone through, or will go through, in order to meet the legal requirements to start or alter you business. These steps include such things as initially finding out which, if any, permits or licenses you require, gathering information to apply for any such permits or licenses, applying for permits or licenses, obtaining any necessary permits or licenses, undergoing any necessary inspections, and finally meeting all of the legal requirements so that you can start up or alter your business. While you may not have already moved through the entire process, please answer questions based on your individual experiences in moving through the process so far.

Section A:

First, I would like to ask you some general questions about your experiences in moving through the process to meet the legal requirements to start or alter your business. Even if you have not completed the process, please answer the questions to the best of your ability, based on your experiences so far.

For each of the following statements, please tell me if you Strongly Agree (SA), Agree (A), Disagree (D), or Strongly Disagree (SD).

		SA	A	D	SD
1a	I found it very easy to find out what the legal requirements are to commence or alter my business.				
2a	I found it difficult to find out which departments, organizations, or offices I should contact to inquire about meeting the legal requirements to commence or alter my business.				
3a	It was easy to obtain the phone numbers and names of the individuals that I had to contact in order to meet the legal requirements to commence or alter my business.				
4a	Determining whom to contact to meet the legal requirements to commence or alter my business was frustrating for me.				
5a	I found that the process of meeting the legal requirements to commence or alter my business is documented in a clear and straight forward manner.				
6a	Going through the process of meeting the legal requirements to commence or alter a business has been a frustrating experience for me so far.				
7a	More information on whom to contact to meet the legal requirements in order to commence or alter my business would have been helpful for me.				
8a	Overall, I am satisfied with the process I have had to move through in order to meet the legal requirements to commence or alter my business.				

Section B:

Now I would like to find out about some of your reasons for feeling the way you did about the process. I will again ask you questions about your overall experiences so far in moving through the process to meet the legal requirements to commence or alter your business, however this time, I would like you to tell me why you feel the way you do regarding the process you have had to move through. Again, even if you have not completed the process, please answer the questions to the best of your ability based on your impressions so far.

For each of the following statements, you will be asked to choose one of the following responses: Very, Somewhat, Not Very, or Not at All.

- 1b. Overall, I am... Very
 Somewhat
 Not Very
 Not at All

... satisfied with my experience so far, in moving through the process to meet the legal requirements to commence or alter my business.

If 'Not Very' or 'Not at All' ask: What has been the most unsatisfactory aspect of moving through the process so far?

- 2b. Overall, I have felt... Very
 Somewhat
 Not Very
 Not at All

... anxious or "stressed out" as I have been moving through the process.

If 'Very' or 'Somewhat' ask: What has been the most stressful or anxious aspect about moving through the process so far?

- 3b. Overall, I have felt... Very
 Somewhat
 Not Very
 Not at All

... at ease as I have been moving through the process.

If 'Not Very' or 'Not at All' ask: What has been the most significant factor that has caused me to feel not at ease in moving through the process so far?

- 4b. Overall, I have been... Very
 Somewhat
 Not Very
 Not at All

... confused as to what is required of me, and by whom, as I have been moving through the process.

If 'Very' or 'Somewhat' ask: What has been the most confusing aspect about moving through the process so far?

- 5b. Overall, moving through the process to meet the legal requirements to commence or alter my business is...

- Very
 Somewhat
 Not Very
 Not at All

... easy to understand.

If 'Not Very' or 'Not at All' ask: What has been the most difficult aspect of the process to understand so far?

- 6b. Overall, I have felt... Very
 Somewhat
 Not Very
 Not at All

... frustrated as I have been moving through the process.

If 'Very' or 'Somewhat' ask: What has been the most frustrating aspect about moving through the process so far?

Section C: Stage in Process

Please consider for a moment all of the steps that you have either already gone through, or will go through, in order to meet the legal requirements to start or alter you business. These steps include such things as realizing that there are legal requirements to commence or alter a business, initially finding out what those requirements are, determining which, if any, permits or licenses you require, gathering information for necessary applications, applying for necessary permits or licenses, obtaining any necessary permits or licenses, and undergoing any necessary inspections. For the purposes of this question, these steps do not include preliminary steps such as choosing the type of business you wish to start, or the type of alteration you would like to make to your business.

- 1c. Please indicate at what stage you are at in the process by choosing one of the following options (show respondent handout with response options, and circle appropriate number).

←Start-----Finish→

Realizing that there are legal requirements to commence or alter a business.	Initially finding out what the legal requirements are.	Determining which, if any, permits or licenses you require.	Gathering information for necessary applications.	Applying for any necessary permits or licenses.	Undergoing any necessary inspections.	Obtaining any necessary permits or licenses.	Being in a position where all the legal requirements to commence or alter your business have been met.
1	2	3	4	5	6	7	8

Other: _____

Section D: Additional Comments

Do you have any additional comments or concerns about your experiences so far in navigating through the process of meeting the legal requirements to commence or alter your business?

**IF INTERVIEWING GROUP A RESPONDENT, COMPLETE
"SUPPLEMENTARY QUESTIONNAIRE" BEFORE PROCEEDING TO
SECTION "E".**

Section E: Demographic Information

The remaining questions are for classification purposes only. Again, I would like to assure you that all answers you provide are confidential and will not be connected with your name, or that of your business. Please feel free to say "pass" if you wish not answer any of the following questions.

- 1e. Gender: Male
 Female
- 2e. Age: _____
- 3e. First Language: _____
- 4e. Main Source of Income: F.T. Employment
 P.T. Employment
 Self Employment
 Social Assistance
 Employment Insurance
 Student Financial Assistance
 Other (Specify) _____
- 5e. What is the highest level of education that you have completed?

6e. Prior to your current experience in starting or altering a business, have you ever started/alterd a business?

- Yes
- No

If "yes", how many times have you started or altered a business?

of times respondent has started a business _____

of times respondent has altered a business _____

7e. Have you ever been involved in an entrepreneurial training program?

- Yes
- No

If "yes", obtain details of the program (name, duration, year taken, etc...).

8e. Have you ever consulted entrepreneur "self-help" literature?

- Yes
- No

If "yes", obtain details of the literature (names of documents, who provided them, when consulted, etc...).

The survey is now complete. Thank you for your participation in this study!

Supplementary Questionnaire

For the final portion of the survey I am going to ask you questions about your personal opinions on the usefulness of the document "How to Do Business in the City of Winnipeg", that I gave you at our initial meeting.

Section A:

- 1a. Before asking you some questions about the document, have you read or referred to the document over the past two weeks?

Yes

No > if "no", ask and record reasons below, before terminating supplementary interview

- 2a. Over the past two weeks, approximately how many times have you referred to the draft document?

_____ Times

- 3a. Please estimate how much time in total you have spent looking at the draft document over the past two weeks.

_____ Estimated total time

Section B:

For each of the following statements, please tell me if you Strongly Agree (SA), Agree (A), Disagree (D), or Strongly Disagree (SD).

		SA	A	D	SD
1b	The document made it easier to find out what the legal requirements are to commence or alter my business.				
2b	The document helped me determine whom I should contact to inquire about meeting the legal requirements to commence or alter my business.				
3b	The document helped me obtain the phone numbers and names of those that I had to contact to meet the legal requirements to commence or alter my business.				
4b	The document helped make the process of meeting the legal requirements to commence or alter a business clearer and more straight forward.				
5b	The document helped make the process of meeting the legal requirements to commence or alter a business less confusing and complex.				
6b	The document helped reduce frustration in moving through the process to meet the legal requirements to commence or alter my business.				
7b	The document is interesting to read.				
8b	The document was written with entrepreneurs like myself in mind.				
9b	The document was written in language that is technical and hard to understand.				
10b	The document has helped me to feel confident that I am aware of what is legally required of me to commence or alter my business.				
11b	I learned new information by reading the document.				

Section C:

For each of the following questions, you will be asked to provide an answer based on your opinions of the document "How to Do Business in the City of Winnipeg".

1c. What if anything did you like about the document "How to Do Business in the City of Winnipeg"?

2c. What if anything did you dislike about the document?

3c. In your opinion, how could the document be improved to help entrepreneurs in moving through the process to start or alter a business?

4c. In your opinion, what if any information should be deleted from the document to make it more clear and concise?

5c. Do you have any additional comments that you would like to add?

RETURN TO MAIN QUESTIONNAIRE

Appendix 3

**Types of Businesses Established or Altered Per Year and Corresponding
Number of Each Type of Business That Was Interviewed**

**Percent of Types of Businesses that Entrepreneurs Establish or Alter Per Year and
Corresponding Number of Each Type of Business that was Interviewed**

Business Type:	% Established or Altered Per Year:	# Actually Interviewed out of 30:
Food Service Establishment (Restaurant / Lounge)	19%	6
Retail Store	18%	6
Business Office	17%	2
Small Manufacturer	9%	4
Miscellaneous	9%	4
Professional Office	8%	2
Food Store	7%	2
Automotive	7%	2
Aesthetic Services	6%	2
Totals:	100%	30

Appendix 4

Building Permit & Development Applications



ADDRESS			DOCUMENT NO.	
---------	--	--	--------------	--

ADDITIONAL DESCRIPTION	LOT	BLOCK	PLAN
<input type="checkbox"/> OCCUPY (0) <input type="checkbox"/> CONSTRUCT (1) <input type="checkbox"/> ALTER (2) <input type="checkbox"/> REPAIR (3) <input type="checkbox"/> ADD (5) <input type="checkbox"/> REMOVE (7) <input type="checkbox"/> LOCATE (8) <input type="checkbox"/> ALTER/ADD (9)			

APPLICANT	ADDRESS	PHONE
CONTRACTOR	ADDRESS	PHONE
OWNER	ADDRESS	PHONE
TENANT	ADDRESS	PHONE
PREVIOUS USE	DATE	

USE CODE	<input type="checkbox"/> EXISTING <input type="checkbox"/> PROPOSED	DISTRICT	Z. O. O.
SIZE OF BUILDING / ADDITION	STOREYS	EXISTING STRUCTURES <input type="checkbox"/> YES <input type="checkbox"/> NO	CONSTRUCTION START DATE YY MM DD
PLAN DEPOSIT		TOTAL ESTIMATED VALUE	

APPROVALS DISTRICT ZONING PLAN EXAM STREETS FIRE HEALTH WATER/WASTE LICENSE ADDRESSING

DAMAGE DEPOSIT REFUND (if applicable) Refund to applicant (as indicated above) yes no, refund should be forwarded to:

NAME _____ ADDRESS _____ POSTAL CODE _____

BUILDING BY-LAW _____ PART _____ OF CODE _____ BLDG HEIGHT (STOREYS) _____

OCCUPANCY GROUP _____ ARTICLE _____ BLDG AREA _____ NEW CONST MP _____

OCCUPANCY PERMIT REQUIRED
 NO CHANGE IN MAJOR OCCUPANCY CLASSIFICATION
 OCCUPY ONLY - NO BUILDING ALTERATIONS
 NO CHANGE IN OCCUPANT LOAD
 NEW OCCUPANT LOAD _____ PERSONS
 CONST / ALTER ACCORDING TO DRAWINGS SUBMITTED

FOUNDATION PERMIT ONLY (INITIALS) YY MM DD
 STRUCTURAL FRAMING PERMIT ONLY (INITIALS) YY MM DD
 SPRINKLER
 FIREWALLS
 RELATED WORK:
 ELECTRICAL
 PLUMBING
 MECHANICAL

REMARKS _____

YY MM DD	PLAN EXAMINER	INITIALS	MASTER PLAN NO.	PLAN EXAM. JOB NO. / YEAR PX
----------	---------------	----------	-----------------	---------------------------------

ZONING BY-LAW NO. 6400 / 4800 PROPERTY ZONED _____ SPECIAL APPROVALS _____

NO. OF DWELLING UNITS _____ NO. OF BUILDINGS _____ AREA OF LOT _____ ATLAS SHEET _____

FLOOD FRINGE
 RIVERS / STREAMS _____
 LANDFILL
 DEVELOPMENT PERMIT FEE \$ _____

DEVELOPMENT PERMIT NUMBER / YEAR
DP

YY MM DD ZONING DEVELOPMENT OFFICER INITIALS

ESTIMATED VALUE OF CONSTRUCTION \$ _____

PERMIT FEE \$ _____ TOTAL FEE \$ _____

PLANS NONE (0) FILED (1) ATTACHED (2) MASTER
 COVERING LETTER ISSUED BY _____

I THE UNDERSIGNED AGREE TO ABIDE BY ALL PROVISIONS AND CONDITIONS STATED ON THE REVERSE OF THIS PERMIT.

YY MM DD APPLICANT SIGNATURE

CASH REGISTER IMPRINT

BUILDING PERMIT NUMBER / YEAR
BP

THIS PERMIT SHALL EXPIRE UNLESS WORK IS COMMENCED AND REASONABLY CONTINUED WITHIN SIX MONTHS FROM DATE HEREOF.
 NOTICE: PERMIT IS VOID UNLESS BEARING CASH REGISTER IMPRINT FOR REQUIRED AMOUNT.



The City of Winnipeg • Land and Development Services Department

395 Main Street • Winnipeg, Manitoba • R3B 3E1

DEVELOPMENT APPLICATION

PRINCIPAL ACCESSORY

I, _____ on _____ 19 _____ hereby make application for permission to proceed with a development in accordance with the plans and other information submitted herewith to:

Development Permit No. _____

- OCCUPY(0) CONSTRUCT(1) ALTER(2) REPAIR(3) ADD(5) REMOVE(7) LOCATE(8) ALTER / ADD(9)

LOW NUMBER HIGH NUMBER STREET NAME TYPE DIR. APT. ROOM FLOOR C.C.

ADDITIONAL DESCRIPTION OCCUPANCY PERMIT REQUIRED YES NO

SUPPLEMENTAL LEGAL DESCRIPTION Lot Block Plan

D.G.S./SEC. - TWSP - RANGE Roll Number

APPLICANT ADDRESS TEL.

CONTRACTOR ADDRESS TEL.

OWNER ADDRESS TEL.

TENANT ADDRESS TEL.

DOCUMENTS IN TRIPLICATE: PLANS SITE PLAN SURVEY TITLE # OTHERS

ZONING BY-LAW PROPERTY ZONED ABUTTING PROPERTIES ZONED SPECIAL APPROVAL NUMBER

EXISTING OCCUPANCY PERMIT NUMBER REQUESTED OCCUPANT LOAD PERMITTED

USE CODE: EXISTING PROPOSED CONDITIONAL TEMPORARY

TYPE OF LOT WIDTH/AREA AREA OF LOT WIDTH/AREA REQUIRED LANE WIDTH

MAX. PERMITTED LOT COVERAGE MAX. HEIGHT PERMITTED NO. OF BLDGS. STOREYS DWELLING UNITS

AREA OF BLDG./UNIT SQ. FT. EXISTING STRUCTURES OF SITE (Y/M) BASEMENT (Y/M) ATLAS SHEET

MAX. PROJECTION INTO YARDS: YARDS REQUIRED: FRONT SIDE SIDE REAR

PARKING REQUIRED: PROVIDED: LOADING REQUIRED PROVIDED:

REMARKS:

FLOOD PLAIN LANDFILL RIVERS & STREAMS ZONING DEVELOPMENT OFFICER (INIT.)

BUILDING BY-LAW PART OF CODE SPRINKLER FIREWALLS

OCCUPANCY GROUP: ARTICLE BLDG. AREA NEW CONST. (M?)

REMARKS:

PX. JOB NO.

RELATED WORK: ELECTRICAL PLUMBING MECHANICAL BUILDING OCCUPANCY INSPECTION REQUIRED

ESTIMATED VALUE OF CONSTRUCTION \$ PERMIT FEE \$

COVERING LETTER NO PLAN FILED PLAN FILED (1) ATTACHED (2) MASTER (3) PLAN EXAMINER (INIT.)

BUILDING PERMIT NUMBER I THE UNDERSIGNED AGREED TO ABIDE BY ALL PROVISIONS AND CONDITIONS STATED ON THE REVERSE OF THIS APPLICATION:

APPLICANT SIGNATURE

TELEPHONE: GENERAL OFFICE AND FIELD INSPECTION OFFICE: 986-5300

Appendix 5

Key Informant Question Guidelines

Key Informant Question Guidelines

For each of the following questions, you will be asked to provide an answer based on your opinions of the document "How to Do Business in the City of Winnipeg".

1c. What if anything did you like about the document "How to Do Business in the City of Winnipeg"?

2c. What if anything did you dislike about the document?

3c. In your opinion, how could the document be improved to help entrepreneurs in moving through the process to start or alter a business?

4c. In your opinion, what if any information should be deleted from the document to make it more clear and concise?

5c. Do you have any additional comments that you would like to add?

Appendix 6

Detailed Results

A6.1 Results: Main Questionnaire Section A**Table A6.1: Results: Main Questionnaire Section A**

Question:	Test Group: # out of 15				Control Group: # out of 15			
	Strongly Agree	Agree	Disagree	Strongly Disagree	Strongly Agree	Agree	Disagree	Strongly Disagree
1a). "I found it very easy to find out what the legal requirements are to commence or alter my business."	2	5	8	0	0	5	3	7
2a). "I found it difficult to find out which departments, organizations, or offices I should contact to inquire about meeting the legal requirements to commence or alter my business."	1	2	8	4	2	7	5	1
3a). "It was easy to obtain the phone numbers and names of the individuals that I had to contact in order to meet the legal requirements to commence or alter my business."	1	8	5	1	0	7	6	2
4a). "Determining whom to contact to meet the legal requirements to commence or alter my business was frustrating for me."	1	2	12	0	3	6	6	0
5a). "I found that the process of meeting the legal requirements to commence or alter my business is documented in a clear and straight forward manner."	2	10	3	0	0	3	6	6
6a). "Going through the process of meeting the legal requirements to commence or alter my business has been a frustrating experience for me so far."	1	6	8	0	3	9	3	0
7a). "More information on whom to contact to meet the legal requirements in order to commence or alter my business would have been helpful for me."	1	3	10	1	3	7	5	0
8a). "Overall, I am satisfied with the process I have had to move through in order to meet the legal requirements to commence or alter my business."	1	8	6	0	0	6	4	5

A6.2 Results: Supplementary Questionnaire Section B**Table A6.2: Results: Supplementary Questionnaire Section B**

	Question:	Test Group: # out of 14			
		Strongly Agree	Agree	Disagree	Strongly Disagree
1b	The document made it easier to find out what the legal requirements are to commence or alter my business.	2	12	0	0
2b	The document helped me determine whom I should contact to inquire about meeting the legal requirements to commence or alter my business.	3	11	0	0
3b	The document helped me obtain the phone numbers and names of those that I had to contact to meet the legal requirements to commence or alter my business.	3	11	0	0
4b	The document helped make the process of meeting the legal requirements to commence or alter a business clearer and more straight forward.	4	10	0	0
5b	The document helped make the process of meeting the legal requirements to commence or alter a business less confusing and complex.	5	9	0	0
6b	The document helped reduce frustration in moving through the process to meet the legal requirements to commence or alter my business.	2	9	3	0
7b	The document is interesting to read.	0	10	4	0
8b	The document was written with entrepreneurs like myself in mind.	1	11	2	0
9b	The document was written in language that is technical and hard to understand.	0	1	11	2
10b	The document has helped me to feel confident that I am aware of what is legally required of me to commence or alter my business.	3	8	3	0
11b	I learned new information by reading the document.	2	11	1	0

A6.3 Results: Main Questionnaire Section B

The qualitative responses for the indirect feedback from the test and control group portion of the study, are reported in detail below in terms of the nature of the comments, and calculated in frequencies and percentages.

Table A6.3: Comments Regarding Information Early in the Process

Comment:	% / # in Test Group that Stated	% / # in Control Group that Stated
<p>“... wish I’d been told all the requirements up-front. I was surprised by unexpected, and sometimes costly requirements.”</p> <p>“...would have required less trips to 395 Main Street if I’d had more information up-front.”</p> <p>“...confused at the beginning of the process, didn’t know where I stood.”</p> <p>“In retrospect the process is not that complex, but I wish I’d had a better idea at the beginning about what was entailed.”</p>	<p>27%,</p> <p>(4)</p>	<p>73%</p> <p>(11)</p>
<p>Implications: Since the test group made this comment less often, it appears that the document provides information that is useful for mitigating this frustration.</p>		

Table A6.4: Comments Regarding Encouraging and Welcoming Effect of the Draft Document

Comment:	% / # in Test Group that Stated	% / # in Control Group that Stated
<p>“This City seems like they don’t want to encourage people to start or expand businesses, they put up roadblocks instead of encouraging and welcoming entrepreneurs.”</p>	<p>13%,</p> <p>(2)</p>	<p>47%</p> <p>(7)</p>
<p>Implications: Since the test group made this comment less often, it appears that the document is useful in terms of making entrepreneurs feel encouraged and welcomed. It should be noted that one respondent in each group said that they think this city is behind other cities in terms of encouraging small businesses.</p>		

Table A6.5: Comments Regarding Frustration with the Speed of the Process

Comment:	% / # in Test Group that Stated	% / # in Control Group that Stated
<p>“The process to start or alter a business takes too long (waiting for permits / dealing with zoning).”</p> <p>“Having to wait for permits and licenses means we lose money, because we can’t be operational.”</p> <p>“Having to wait forces contractors to wait or work without permits.”</p>	<p>27%,</p> <p>(4)</p>	<p>60%</p> <p>(9)</p>
<p>Implications: Since the test group made this comment less often, it appears that the document is useful in terms of reducing frustration regarding the speed of the process, and may in fact help entrepreneurs to move through the process more quickly.</p>		

Table A6.6: Comments Regarding Locating the Person Entrepreneurs Need to Speak with to Obtain Process Information

Comment:	% / # in Test Group that Stated	% / # in Control Group that Stated
<p>“It is confusing and difficult to figure out whom to call for process information, to get answers to my questions.”</p> <p>“I was transferred via telephone all over the place before getting the right person.”</p>	<p>20%,</p> <p>(3)</p>	<p>60%</p> <p>(9)</p>
<p>Implications: Since the test group made this comment less often, it appears that the document is useful in terms of assisting entrepreneurs to locate the person they need to speak with to obtain process information and answers to questions.</p>		

Table A6.7: Concern Among Entrepreneurs that they Have Obtained Accurate Information

Comment:	% / # in Test Group that Stated	% / # in Control Group that Stated
<p>“After speaking with a City employee at 395 Main St., I felt very confused over what the process is, and I didn’t feel assured that the process had been conveyed to me accurately.”</p> <p>“... after speaking to a City employee, I had little confidence that I wasn’t missing something.”</p> <p>“The people at the City didn’t seem to know the answers to my questions, and I got different answers to the same question depending on who I asked.”</p>	<p>47%,</p> <p>(7)</p>	<p>80%</p> <p>(12)</p>
<p>Implications: The high number of comments relating to confidence in City employees’ competence may be concerning. However, it is likely that the level of confidence has more to do with the nature of the process than with the City employees themselves. Since the test group reported this concern less often, it appears that the draft document reduces concern among entrepreneurs in terms of their dealings with City officials to obtain the accurate information they require</p>		

Table A6.8: Concern About the Number of Individuals and Departments with whom Entrepreneurs Must Deal

Comment:	% / # in Test Group that Stated	% / # in Control Group that Stated
<p>“... had to go back and forth between departments at 395 Main, and had to re-explain myself at each department.”</p> <p>“... had to go back and forth between 395 Main St. and other offices.”</p> <p>“The process should be simplified so that everything can be done with one proper application, under one roof, in one office, in one day.”</p> <p>“I feel like I had to deal with too many people. Each entrepreneur should be given one designated contact, so you don’t have to re-explain yourself, and go back and forth between departments or floors at 395 Main St..”</p>	<p>47%,</p> <p>(7)</p>	<p>80%</p> <p>(12)</p>
<p>Implications: Since the test group made this comment less often, it appears that the document is useful in terms of reducing this frustration. Nonetheless, it is important to note that there is considerable concern among both groups regarding the need to go back and forth between offices within, and in some cases beyond, 395 Main St.</p>		

Table A6.9: Concern About the Amount of 'Red-Tape'

Comment:	% / # in Test Group that Stated	% / # in Control Group that Stated
<p>“There is too much red-tape to start or alter a business.”</p> <p>“If there is a rationale for so much red-tape, I would at least like to know what it is.”</p> <p>“I was surprised that there’s so much red-tape for something as simple as erecting a sign.”</p>	<p>20%,</p> <p>(3)</p>	<p>40%</p> <p>(6)</p>
<p>Implications: Since the test group made this comment less often, it appears that the document is useful in terms of reducing the perception or concern regarding red-tape. These comments also speak of the importance of explaining why regulations are important and necessary; something that the document does.</p>		

Table A6.10: Perceived Need to Hire a Professional to Assist in Moving Through the Process

Comment:	% / # in Test Group that Stated	% / # in Control Group that Stated
<p>“We tried to move through the process on our own, but the process is too complex, so we hired a contractor and architect to deal with the City on or behalf.” “Eventually a City employee told us to get an architect or engineer to deal with the City on our behalf because the process is too complex for a lay person. It seems like the City discourages private entrepreneurs from being involved in the process, and that they only want to deal with contractors.” “It cost us extra money to hire a professional to help us through the process since it’s too complex for us to move through on our own.” “I really feel that I need to hire a contractor because the process is so complex, but it’s too costly, so I’m doing it myself.”</p> <p>“Clerks speak to me in too technical of a manner.”</p>	<p>6%,</p> <p>(1)</p>	<p>40%</p> <p>(6)</p>
<p>Implications: Since the test group made this comment less often, it appears that the draft document helps to reduce the perceived need to hire a professional to assist them in moving through the process.</p>		

A6.11: Concern Among Control Group Regarding Lack of Documented Information

Comment:	% / # in Test Group that Stated	% / # in Control Group that Stated
<p>A large number of control group respondents (40%, or 6 out of 15), specifically mentioned that they wish they had been provided with a document that outlines the process to commence or alter a business, without having any knowledge that such a document is currently being tested.</p> <p>Related comments include: “Documentation would make the process less daunting” and “this city lacks a document that outlines how to go about starting/altering a business.” ... as well as the following comments about specific items that they would like to see in a written document:</p> <ul style="list-style-type: none"> - information on licenses and permits; - information on whom to contact regarding store signage; - information about building plan requirements for certain applications; - an indication of how long certain processes can be expected to take and; - information regarding which processes will require fees, and at a minimum, a ball-park figure of the how much fees will be, so that entrepreneurs can budget. 	<p>N/A, test group respondents knew about the existence of the draft document</p>	<p>40%</p> <p>(6)</p>
<p>Implications: This is very significant since these control group respondents mentioned the importance of such a document with no prompting regarding an informational document whatsoever. The large portion of respondents that mentioned this, speaks very strongly of the need for such a document.</p>		

The following are additional comments that were made only once or twice by either the test or control group. While still important, the frequency of these comments is too small for them to be considered statistically significant, and some pertain to issues that do not seem to be affected by the document.

Test Group - Additional Miscellaneous Comments:

- “I’ve called tracking and they know nothing about my application, except that it’s still somewhere in progress.”
- “Sometimes dealing with the City is better if I go in person. They don’t seem to want to deal with me over the phone, and they say I should come down instead. This has wasted my time and cost me extra trips since I didn’t know what I should bring with me the first time I went down.”
- “The City should explain why application fees are so expensive... I don’t understand what I’m paying for.”
- “The City should send someone out to the business with all the relevant applications, so that they really understand what you’re trying to do, and so that everything can be done all at once. Then they would really be helping you.”
- “I went from one desk to the next at 395 Main St., and no one could make a decision.”
- “The 1 Stop Shop has really streamlined the process compared to a few years ago when I went through it.”
- “I had six different inspectors for one little shop... it seems excessive and wasteful.”

Control Group - Additional Miscellaneous Comments:

- “I’m frustrated because I had inspectors coming unannounced and didn’t know / wasn’t made aware of why they were here. They take up valuable business time.”
- “A 1 Stop Shop that deals specifically with businesses is required.”
- “It’s inconvenient and difficult to find parking at 395 Main St..”
- “The inspectors don’t seem to be in coordination with the clerks. The clerks don’t know when the inspectors are going to come.”
- “Process seems like a cash grab, applications are very expensive.”
- “Taxes are too high in Winnipeg.”

Additional Miscellaneous Comments Made Once or Twice by Both Groups:

- “There seems to be preferential treatment at 395 Main St., the clerks seem to deal with some people faster than others.”
- “Had to wait a long time at 395 Main St..”
- “City employees unhelpful / bad attitudes.”, “...they seem uncaring, and they don’t seem to realize that entrepreneurs put their life savings into their businesses.”
- “City employees very courteous and polite.”, “One of the City employees I’ve talked to seems really caring... this makes a big difference.”
- “City employees take a long time to return phone calls.”
- “Some restrictions seem out-dated, too restrictive, or don’t make sense.”

A6.4 Results: Supplementary Questionnaire Section C

The responses to the questions in Section C of the Supplementary Questionnaire, are reported below in frequencies and percentages. There were 14 respondents for these questions.

Table A6.12: Answers to Q 1: "What if anything did you like about the document 'How to Do Business in the City of Winnipeg'?"

Comments:	% / # of Test Group that Stated
All of the 14 respondents that read the document had something positive to say about it.	100% (14)
"... document good for overview of what's entailed." "... excellent conceptually as an overview... it's hard to understand the concepts and process... the document helped with understanding the overall process... the overview impressed me." "... quite comprehensive." "It's a good introductory/general info. document... it's full of info. for such a concise document. It's a good length, keep it the way it is, otherwise it would lose effectiveness by becoming too cumbersome."	86% (12)
"Document helped me to know where to start... it's a good document especially for someone starting."	50% (7)
"...very straight forward document, well-written, very easy to understand." "...organization is good, well-indexed." "...quick to read through."	50% (7)
"... provides good information on where to go, whom to contact... it helped me know which department to call."	43% (6)
"... document shows City's interest in supporting Winnipeg businesses." "It made me feel welcomed by the City for the first time in 25 years of running a business here." "... it should be given to everyone when they start or alter a business, whether they ask for it or not. It makes you feel welcomed and encouraged." "The document says 'how can we help you, you can do this without a lot of red-tape'."	36% (5)
"...outlines procedures quite well." "...it covers a lot of things I needed to deal with." "It outlined everything that should be done, on a step-by-step basis."	36% (5)
"I felt a lot better about the process after reading the document. I wish I'd had it earlier." "...document makes you feel confident, that you haven't missed something important."	29% (4)

(Table Continued on Next Page...)

(...Table Continued from Previous Page)

“The section on ‘Choosing Your Type of Business Organization’ is very good; well written and clear.”	14% (2)
“The sections on Federal taxes, G.S.T., and Provincial tax were good. They were fairly general, but there’s numbers to call for more information. It’s good to keep it this way, otherwise it would become too lengthy of a document.”	14% (2)
“...to have to determine which departments or offices to call for information without this document, would have been very time consuming.”	14% (2)
“The section on licenses and permits was really excellent. It really spelled it out and made it clear and unambiguous.”	7% (1)
“...interesting to read.”	7% (1)
“... document helps save from having to hire lawyers/contractors. It gives you guidance, insight, and an overview, so if you use a lawyer or contractor, you can do so further along in the process and save money.”	7% (1)
“The link to Winnipeg 2000 was excellent! I contacted them and they were very helpful. The market info. they provided was excellent.”	7% (1)
“The document pointed out a lot of things I didn’t get answers on before from the City. For example how the license and permit process works, and what types of licenses there are, which departments and offices I should be dealing with. I knew who to call after reading the document, rather than calling Zoning for everything.”	7% (1)
“... document would save the time of civic employees.”	7% (1)
“... section on Manitoba Consumer and Corporate Affairs is good.”	7% (1)
“Provincial information was helpful.”	7% (1)

Table A6.13: Answers to Q 2: “What if anything did you dislike about the document ‘How to Do Business in the City of Winnipeg’?”

Comments:	% / # of Test Group that Stated
Ten of the 14 respondents that read the document said there is nothing they disliked about it. “I went through the document thoroughly, and there was nothing I disliked.”	71% (10)
“Even with the document, I’m worried that I’ll start up and find out that I’m missing some requirement. The document is still fairly vague.” “... but hopefully I’ll call some of the numbers and be able to get more details.”	14% (2)
“It was still hard to get a hold of the specific person I needed within departments, but easier to get the right department.”	7% (1)
“It was good especially for businesses like retail, but not as good for renovations, or new structures... not enough detail on renovations.”	7% (1)
“Some of it didn’t apply to me, but I guess that’s to be expected with a comprehensive document.”	7% (1)
“... even with the document you may still need a lawyer, accountant, and contractor because the process is still complex. It’s good though that the document warns that you might still want to hire a lawyer and accountant.”	7% (1)

Table A6.14: Answers to Q3: “In your opinion, how could the document be improved to help entrepreneurs in moving through the process to start or alter a business?”

Comments:	% / # of Test Group that Stated
Nine of the 14 respondents that read the document offered suggestions for how it could be improved. The remainder said nothing needs to be improved about the document.	64% (9)
“It would be better if it was more step-by-step... if it listed each thing that you have to do, on a check list, for each type of business.”	14% (2)
“Should give time frame for how long each permit and license can be expected to take.”	14% (2)
“If more detailed info. was in it, I would not have had to hire an architect. For example, requirements re: the ratio of parking spots to building size.”	7% (1)
“Regarding G.S.T. it should mention that there are prerequisites required to obtain a G.S.T. number.”	7% (1)
“... on page 26 the word ‘reduced’ should be ‘produced’, in the second last line of the Retail Sales Tax section.”	7% (1)
“... should provide the Citizens’ Inquiry Service and City Hall Information Service numbers, in case people get stuck.”	7% (1)
“Page 14, second paragraph, the second sentence is too long. Could it be done with bullets? This would be especially good for ESL people.”	7% (1)
Idea: “The document could outline a story exemplifying someone’s experience starting a business. For example, ‘Mary Opens a Grocery Store’.”	7% (1)
“More info. on the following would be good: - signs, how far they can stick out, - City of Winnipeg property taxes, - the TIPP plan.”	7% (1)
“Under Provincial Licenses, should include Manitoba Health for Professional offices.”	7% (1)

Table A6.15: Answers to Q4: “In your opinion, what if any information should be deleted from the document to make it more clear and concise?”

Comments:	% / # of Test Group that Stated
All of the 14 respondents that read the document said that there was nothing that should be deleted from it.	100% (14)

Table A6.16: Answers to Q5: “Do you have any additional comments that you would like to add?”

Comments:	% / # of Test Group that Stated
“Thanks for the document, it’s been really/quite/extremely helpful.”	36% (5)
“I couldn’t really say the document is interesting, but it is if you need to know the information.”	29% (4)
“Can I keep the document for future use?”	21% (3)
“The document made the process clearer but not easier. It’s still the people at the City that make it difficult.”	7% (1)
“The document is good to lead entrepreneurs in the right direction, but there’s so many problems that can arise and each case is so specific, that it can’t possibly encompass everything.”	7% (1)
“It should be available where you go to register a company name.”	7% (1)

A6.5 Results: Direct Feedback Additional Comments

Table A6.17: Additional Results

Comments:	% / # of Test Group that Stated
<p>“A document like this would save time. The phone numbers would be very helpful.”</p> <p>“It looks very helpful; you need to know all this when starting a business. It would save from missing important steps.”</p>	75% (6)
<p>“It should be given to all people starting a business.”</p> <p>“It should be available everywhere business people gather; 395 Main St., government offices, employment offices, where you register a company name.”</p>	63% (5)
<p>“The document would be better if it was step-by-step; if it said do this first, this second, third, etc....”</p>	13% (1)
<p>“It looks like it’s a good length, not too long.”</p>	13% (1)
<p>“Other pamphlets I’ve seen don’t cut it... this one looks better.”</p>	13% (1)
<p>“Looks like it offers good advice, such as consult a lawyer.”</p>	13% (1)
<p>“Could write about examples of typical businesses, such as “So...Opening a Restaurant, Here is Everything That You Have to Do.”</p>	13% (1)
<p>“In license and permit section, it should mention that you may need to produce building plans for applications, and that you can sometimes obtain these plans from the City.”</p>	13% (1)
<p>“Document should mention that there are fees for some applications, so people aren’t surprised.”</p>	13% (1)

A6.6 Results: Direct Feedback from key Informants - Suggestions for Improving the Document

- Improve the section that describes The City of Winnipeg’s Business Liaison and Intergovernmental Affairs Department (p. 5), by focusing on why a business person needs to know about them, and why they might want to contact them. Some thought this section provides some information about the Business Liaison and Intergovernmental Affairs Department that is not relevant for an entrepreneur moving through the process to start or alter a business, and should be condensed, at the same time as focusing more on why an entrepreneur would want to contact them. Suggestions were made that the last two paragraphs on page 5, should be deleted since they are not of direct importance for entrepreneurs.

- Improve the section that describes the Business Improvement Zones (BIZ), by focusing more on how being a part of a BIZ is beneficial for entrepreneurs and why they might wish to join or instigate one (p. 6). Key informants also thought this section could be condensed so as to include only information pertinent from the point of view of an entrepreneur. For example, it was suggested that the first two paragraphs could be eliminated. Other comments include that the section does not clearly state that there are already a number of BIZ that exist, where they are located, and that entrepreneurs may wish to join an already existing one. Finally, it was suggested that the wording immediately preceding the contact listing should read “For more information on joining or starting a BIZ, contact:”, rather than simply “For more information:”, as it currently reads.
- Improve the section that deals with cooperatives (p. 10), by adding to it a description of ‘worker cooperatives’.
- Lengthen the section Obtaining Licenses and Permits (p.12), so as to:
 - provide a brief description of what City Zoning regulations, Occupancy Permits, Development Permits, and Authorization Clearances are, which of these are required under what general circumstances, and a ball park range of what costs entrepreneurs should anticipate;
 - generally outline where City Zoning regulations allow businesses to locate;
 - indicate the approximate cost of the license that home-based businesses must pay in lieu of taxes (p.13) and;
 - list the 84 businesses and occupations that require licenses (p.13), (or include in an appendix).
- Condense the document by deleting the relatively old information that “the insurance requirement for mobile food vendors became effective January 1, 1993” (middle of page 14), and by deleting the note about home-based businesses on page 15, since this is already discussed on page 13.
- Provide more information explaining Corporation Capital Tax (p. 26), and Health and Post Secondary Education Tax Levy (p. 27), including the approximate amounts of these taxes, or an indication of how the amounts are derived.
- In the section Small Business Tax Reduction, it states that the “relief currently applies to corporations incorporated under (various Acts) from August 8, 1988 to December 31, 1992. Since December 1992 is five years ago, this section should clarify whether relief currently applies to corporations incorporated since 1992.
- Improve the section Workers Compensation Contributions (p. 31), by listing the industries that are required to report to the Workers Compensation Board, according to Section 73 of the Manitoba Workers Compensation Act (or include in an appendix).

- Perhaps the disclaimer in the introduction, regarding the accuracy of the document, could be made less prominent so as not to undermine the confidence of entrepreneurs in the document.
- Improve the Market Information and Assistance section by adding information about the benefits for entrepreneurs in joining The Winnipeg Chamber of Commerce. The main benefit is the opportunity for networking.

A6.7 Results: Main Questionnaire Section E

Table A6.18: Gender

Sex:	Test Group:	Control Group:
Male:	93% (14)	87% (13)
Female:	7% (1)	13% (2)

Table A6.19: Age

Group:	Average Age:
Test Group:	42 (range: 22 to 63)
Control Group:	40 (range: 28 to 55)

Table A6.20: Language Spoken Most Often

Language:	Test Group:	Control Group:
English:	93% (14)	87% (13)
Other:	7% (1)	13% (2)

Table A6.21: Main Source of Income

Main Source of Income:	Test Group:	Control Group:
Full-Time, Self-Employment:	80% (12)	80% (12)
Other Full-Time Employment:	20% (3)	20% (3)

Table A6.22: Highest Level of Education

Highest Level of Education:	Test Group:	Control Group:
Grade School	0	2
Some High School	3	1
High School	5	4
Technical Diploma	3	2
Some University	1	2
University Degree	3	4

Table A6.23: Previous Experience Starting or Altering a Business

Prior Experience Starting or Altering a Business:	Test Group:	Control:
Yes	73% (11)	80% (12)
No	27% (4)	20% (3)
Average # of Previous Starts:	1.27 (range: 1 to 2)	1.6 (range: 1 to 4)
Average # of Previous Alterations:	2 (range: 1 to 3)	2 (range: 1 to 4)

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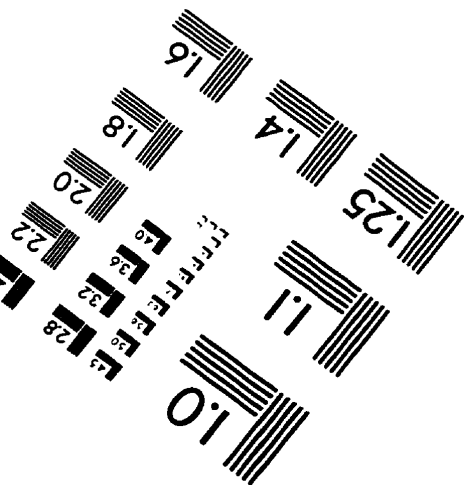
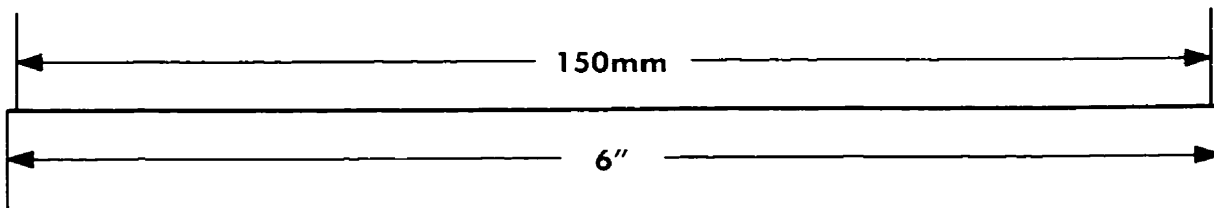
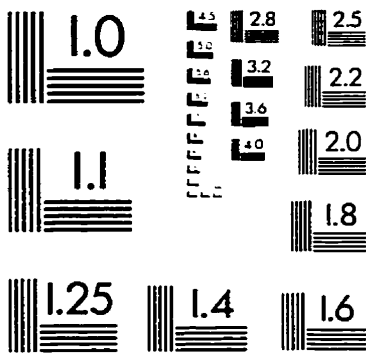
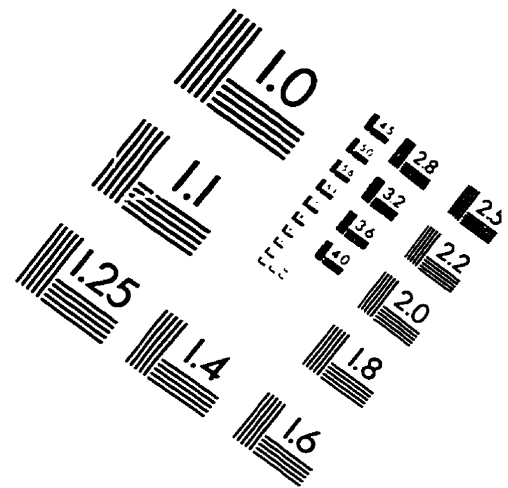
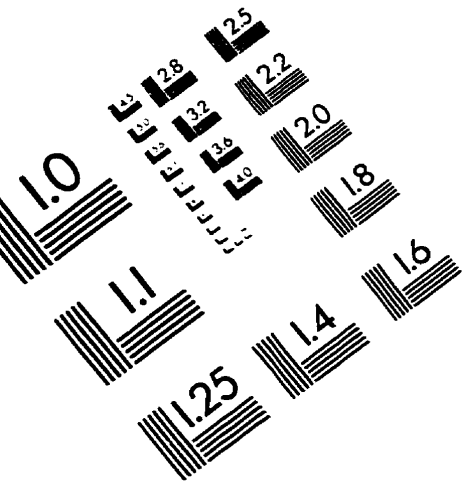
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IMAGE EVALUATION TEST TARGET (QA-3)



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