



Applications Management Consulting Ltd.

## Calgary & Area Labour Market Report

### Business Diversification

Results from the 2016 Calgary & Area  
Employer Survey

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## Introduction

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The Alberta economy is slowly emerging from a two-year economic recession. As a resource-based economy, the province's heavy reliance on the energy sector means that business conditions are sensitive to oil price fluctuations. The price of West Texas Intermediate (WTI) oil began its descent mid-2014 falling from an average of over US\$105 per barrel in June 2014 to a low of around US\$30 per barrel in February 2016, before slowly climbing to over US\$50 per barrel by year-end.<sup>1</sup> Against this backdrop, this report is focused on the strategic business decisions - in particular business diversification - made by Calgary and area employers in response to the economic downturn. The specific aims of the project are to understand:

- ✓ how the drop in oil prices and economic downturn affected the demand for Calgary and area employers' products and/or services over the last year;
- ✓ if employers diversified their operations, clients, products, services or markets over the last year to manage their business through the downturn;
- ✓ what plans, if any, employers have in place to diversify operations over the next two years; and
- ✓ if employers have plans to diversify, what plans, if any they have to hire new employees, refocus existing staff and train as a direct result of diversification planning.

This report is based on a survey of 804 Calgary and area employers conducted between January 1 and December 31, 2016. In addition, some benefits of business diversification are presented, along with resources available to employers considering implementing a diversification strategy. The findings in this report are designed to help the various stakeholders reflect on current policies and practices surrounding business diversification.

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<sup>1</sup> Baytex Energy Corp. Historical Oil Pricing.

## Business Diversification

Business diversification is becoming a strong component of many Calgary employers' development strategies. For some firms, it's simply a survival strategy, as the Alberta economy contracted for a second year in the row in 2016. However, businesses may choose to diversify for a number of other reasons. Whether the reason is to grow the business and increase revenues, to balance sales or regulate cash flow throughout the year, or to manage risk during economic downturns, a recent study by the Business Development Bank of Canada (BDC) concludes that business diversification correlates positively with financial success.<sup>2</sup>

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*“While it is encouraging that most Alberta businesses diversify in at least one way, the proportion of firms exposed to even the most basic risks is significant [...] roughly a third of Alberta businesses offer a single product or service line, while almost 4 in 10 rely heavily on a single major client.” - BDC*

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How diversified are Alberta firms? In the study of nearly 1,000 Alberta businesses with 5 - 499 employees, BDC defines diversification as:

- ✓ having multiple product or service lines;
- ✓ having a customer base in multiple locations;
- ✓ not relying on a single client;
- ✓ operating in more than one sector;
- ✓ having a physical presence in more than one city; and
- ✓ selling internationally.

Certain types of diversification were found to more common among Alberta businesses:

- ▶ 68 per cent have multiple product or service lines;
- ▶ 66 per cent have clients in more than one city/town; and
- ▶ 62 per cent do not rely heavily on a single major client.

However, few businesses are diversified in the remaining two ways:

- ▶ only 28 per cent operate in more than one sector; and
- ▶ only 23 per cent maintain a physical presence in more than one city/town.

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<sup>2</sup> Business Development Bank of Canada, Diversify, Diversify, Diversify...A Key Growth Strategy for Small and Mid-Sized Firms, November 2015.

The study reveals that firms that are diversified in all five ways are the top performers. Approximately 70 per cent of the businesses that are diversified in five ways achieved 10 per cent or higher average annual revenue growth in the previous three years, while only 17 per cent of the undiversified firms achieved such growth. Even modestly diversified firms outperform undiversified firms, with 35 per cent of businesses diversified in just one way and 45 per cent of businesses diversified in two ways achieving 10 per cent or higher average annual revenue growth over the same period.

As mentioned, businesses may choose to diversify for a variety of reasons, but for Alberta firms, the BDC study found that “growth” (25 per cent) and “survival” (11 per cent) were the top reasons, while “no need” or “no interest” (27 per cent) were the top reasons for not diversifying.

Diversification as a business strategy, as long as it is carefully researched and planned, can be a means to strengthen and grow a company, to survive when the economy takes a downturn, or to prosper in a recession. In other words, diversification can be a valuable tool to reduce risk and improve business performance. It should be noted that the BDC study does not suggest that all kinds of diversification benefit all firms. It does conclude, however, that some kinds of diversification correlate strongly with success in some sectors and as a general rule, the most diversified businesses grow faster than their less-diversified counterparts.

## Calgary & Area Employer Survey Results

### Economic Context

Before presenting the results of the 2016 Calgary & Area Employer Survey, it is important to understand the economic context in which the survey was conducted.

Alberta faced a number of challenges in 2016. The province's economy shrank by an estimated 2.8 per cent in 2016, adding up to a cumulative 6.5 per cent contraction over the past two years. Output in Alberta's goods-producing industries declined 5.8 per cent in 2016, led by significant contractions in the construction (-16.4 per cent) and manufacturing (-8.5 per cent) sectors. The price of West Texas Intermediate (WTI) oil had dropped to US\$26 per barrel by mid-February before slowly recovering to around US\$50 per barrel in December. As a result, energy companies continued to layoff workers and cut capital spending, however, the number of Albertans affected by group layoffs in 2016 was almost half that of the year before, suggesting that the worst of the massive job losses appear to be over. In 2016, 72 Alberta employers informed the provincial government of group layoffs.<sup>3</sup> Over 9,700 Albertans were affected by the group layoffs, down from 2015 when the government received 116 notices affecting over 17,500 workers.<sup>4</sup> Of the over 9,700 impacted employees in 2016, about 70 per cent were related to layoffs in the oil and gas sector, along with those companies providing goods and services to the energy sector.

Adding to Alberta's economic challenges, wildfires swept through the Wood Buffalo region in May 2016, leading to mass evacuation of residents and the destruction of nearly 2,000 commercial and residential structures.<sup>5</sup> Along with enormous insurable losses estimated to be in the \$3.7 billion range, the shutdown of several oil sands production facilities in the region resulted in over 51 million barrels of lost oil production over an eight week period.<sup>6</sup>



Sources: Statistics Canada CANSIM table 379-0030 (Actual data), Government of Alberta 2017 Budget (2016 estimate and 2017 forecast data)

<sup>3</sup> Employers are required to provide the government four weeks' notice of their intention to layoff 50 or more employees at a single-location within a four-week period.

<sup>4</sup> iNews880.com, Mass layoff numbers decreasing since 2015, Brenton Driedger, January 10, 2017.

<sup>5</sup> Regional Municipality of Wood Buffalo, RMWB 2016 Wildfire Recovery Plan, p.10.

<sup>6</sup> Alberta Treasury Board and Finance, Economic Trends, January 2017.

The province's labour market was equally weak in 2016. Employment in Alberta declined by 37,300 or 1.6 per cent, with most of the job losses occurring in the manufacturing (-24,400), mining and oil and gas (-19,500) and agriculture (-12,000) sectors.<sup>7</sup> In addition, the average number of Albertans receiving regular Employment Insurance (EI) benefits increased 65 per cent to 83,750, from 50,830 in 2015.<sup>8</sup> The province's unemployment rate hit a 20-year high of 9.0 per cent in November 2016, averaging 8.1 per cent for the year, up from an average of 6.0 per cent in 2015.<sup>9</sup>

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*“Fires, recession, pink slips and deficits. At times, 2016 delivered so much negative news, it felt like Alberta's economy was a punching bag, swinging back wildly from one blow only to be pummelled by another.”*

*10 stories that shook Alberta's economy in 2016, Chris Varcoe, Calgary Sun*

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Among the Conference Board of Canada's 28 major Census Metropolitan Areas (CMAs), the Calgary CMA's economy was the hardest hit in 2016 for the second year in a row. Following robust growth of 5.2 per cent in 2014, real GDP in the Calgary CMA declined by 3.1 per cent in 2015 and 1.7 per cent in 2016. Output in Calgary's industrial sector was particularly weak, with significant contractions in the construction (-12.8 per cent) and manufacturing (-9.2 per cent) sectors. The Calgary economy is forecast to grow at a modest rate of 1.8 per cent in 2017, as the energy sector gradually regains stability.<sup>10</sup>

Total employment in Calgary declined by 1.5 per cent in 2016 - a loss of about 12,400 jobs.<sup>11</sup> The average number of unemployed people in the Calgary CMA increased dramatically from 55,600 in 2015 to 83,200 in 2016, pushing the unemployment rate up from 6.4 per cent in 2015 to 9.4 per cent in 2016.<sup>12</sup>

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<sup>7</sup> Statistics Canada, CANSIM table 282-0008.

<sup>8</sup> Statistics Canada, CANSIM table 276-0022.

<sup>9</sup> Statistics Canada CANSIM table 282-0002.

<sup>10</sup> Applications Management Consulting Ltd., Calgary & Area Employment Forecast: 2016>Winter and Conference Board of Canada, Metropolitan Outlook 1, Winter 2016.

<sup>11</sup> Statistics Canada, CANSIM table 282-0131.

<sup>12</sup> Statistics Canada, CANSIM table 282-0129.

## Survey Overview

In 2016, telephone surveys were conducted with 804 Calgary and area<sup>13</sup> employers:

- ✓ Q1 2016: 200 large-sized companies with 100+ employees;
- ✓ Q2 2016: 201 medium-sized companies with 50 - 99 employees;
- ✓ Q3 2016: 201 small-sized companies with 10 - 49 employees; and
- ✓ Q4 2016: 202 micro-sized companies with <10 employees.<sup>14</sup>

Employers were surveyed on their recruitment and retention practices, including questions about company expansions and downsizes, layoffs, vacant positions, future employment, recruitment methods, recruiting difficulties, employee turnover and retention strategies. Supplemental questions on business diversification were added to the survey and results form the basis of the remainder of this section.

The 804 employers surveyed employed approximately 141,273 people. Of this total, 61 per cent were full-time employees, 18 per cent were part-time employees, and 21 per cent were either contract, seasonal, casual, temporary or relief staff.

### How many people does your company employ in the Calgary region?

Industry	Total Employees	Number of Companies
Mining & Oil & Gas	14,449	81
Construction	8,111	80
Manufacturing	5,256	80
Wholesale & Retail Trade	9,325	80
Transportation & Warehousing	11,092	80
Professional, Scientific & Technical Services	6,809	81
Health Care & Social Assistance	45,759	82
Accommodation & Food Services/Arts & Entertainment	6,495	80
Finance, Insurance, Real Estate & Leasing	6,599	80
Other	27,378	80
<b>Total</b>	<b>141,273</b>	<b>804</b>

"Other" represents companies in any of the following industries: agriculture, utilities, information & culture, management of companies, administrative & support services, educational services, other services or public administration.

<sup>13</sup> Calgary and area includes the city of Calgary, communities west to Lake Louise, including Banff, Canmore and Cochrane, east to Chestermere, north to Crossfield, including Airdrie, and south to Cayley, including High River and Okotoks.

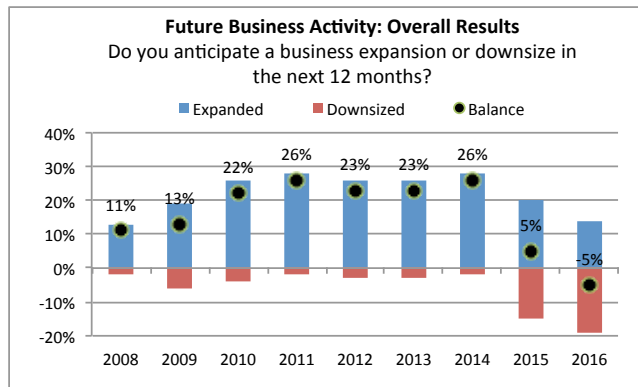
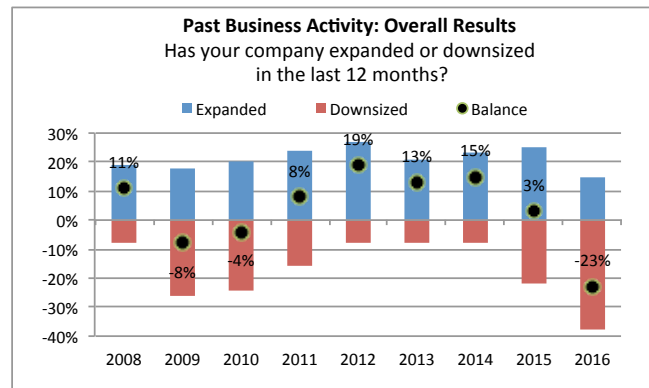
<sup>14</sup> See Appendix A for additional details.



## General Highlights from the 2016 Calgary & Area Employer Survey

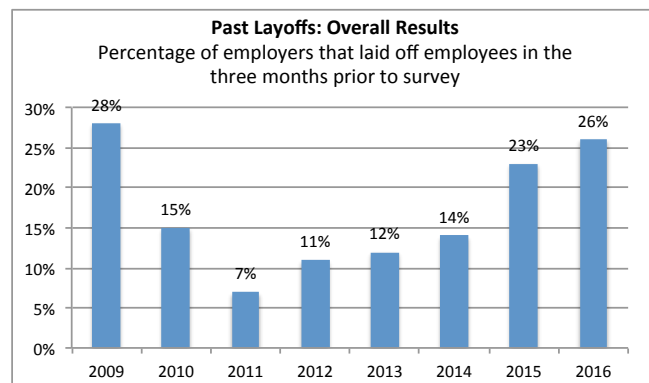
Calgary and area employers have been surveyed since 2006 about their labour market practices. A roll up of results since 2008 is captured in the [Q4 2016 Calgary & Area Labour Market Report](#).<sup>15</sup> For several Calgary employers, 2016 was a particularly difficult year in many respects.

On balance, 23 per cent of the employers said their company downsized in the year prior to their survey (15 per cent expanded and 38 per cent downsized), the worst results to date. Business downsizing was widespread across the various company sizes and industries.



On balance, 5 per cent of the employers anticipated a business downsize in the year following their survey (14 per cent anticipated an expansion and 19 per cent anticipated a downsize), the most pessimistic results to date. Expectations of future business downsizing were concentrated among large-size employers and employers in the mining and oil and gas, wholesale and retail trade and construction industries.

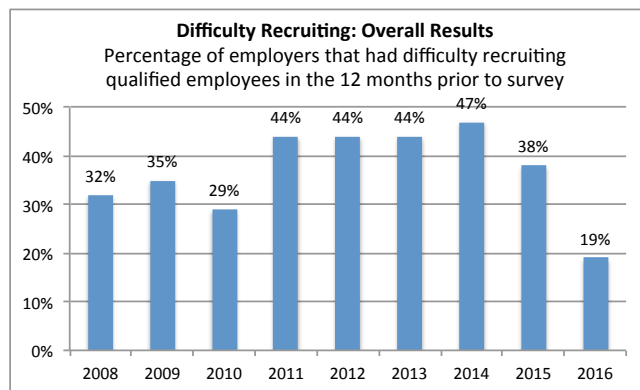
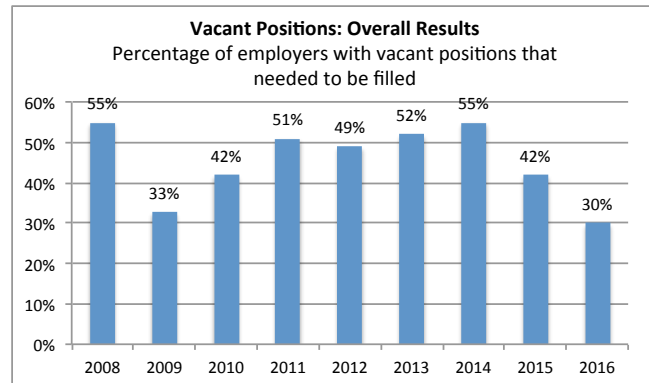
Twenty-six per cent of the employers laid off workers in the three months prior to their survey, compared to an average of 13 per cent from 2001 - 2015. The percentage of employers reporting they laid off employees was highest in the professional, scientific and technical services, construction, mining and oil and gas and manufacturing industries.



<sup>15</sup> Alberta Human Services, 2016>Q4 Calgary & Area Labour Market Report, pages 46 - 64  
<http://www.humanservices.alberta.ca/services-near-you/2395.html>

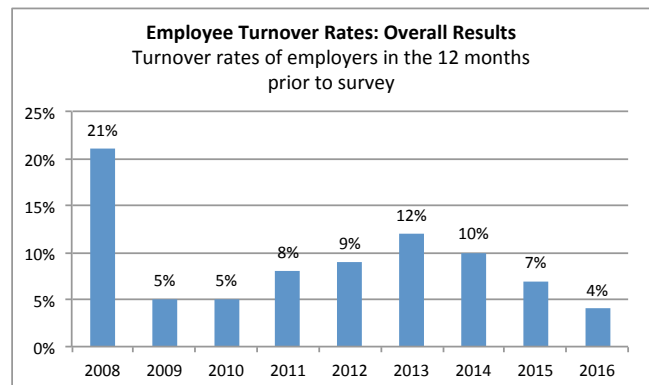
# BUSINESS DIVERSIFICATION

Only 30 per cent of the employers had vacant positions that needed to be filled at the time of their survey, compared to an average of 50 per cent from 2011 - 2015 and the lowest level recorded to date. Employers reporting they had vacant positions was highest among large-sized companies and companies in the 'other', accommodation and food services/arts and entertainment and health care and social assistance industries.



Nineteen per cent of the employers reported they had difficulty recruiting qualified employees in the 12 months prior to their survey, compared to an average of 44 per cent from 2011 - 2015 and the lowest result to date. More large-sized employers and more employers in the accommodation and food services/arts and entertainment industries had difficulty recruiting qualified employees.

Fifty-nine per cent of the employers reported approximately 5,020 employees had left their company in the 12 months prior to their survey as a result of voluntary turnover. This equates to an average turnover rate of just 4.0 per cent, compared to an average of 9.0 per cent from 2011 - 2015 and the lowest result to date. Micro-sized employers and employers in the wholesale and retail trade industries had the highest turnover rates on average.



## Questions Specific to Business Diversification

Employers were asked the following specific questions about their plans to diversify their businesses:

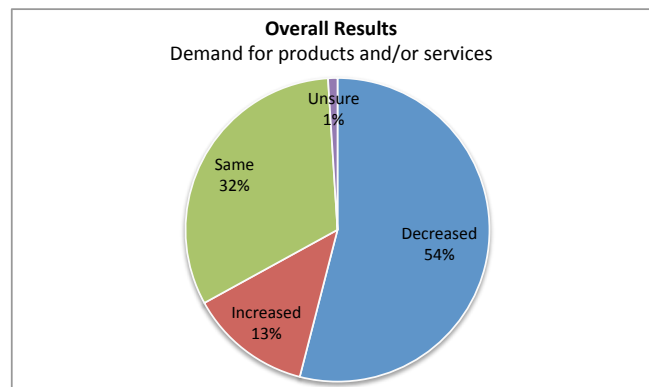
- ✓ Overall, in the last 12 months, has the demand for your products/services increased, decreased or stayed the same as a result of the economic downturn and drop in oil prices?
- ✓ In the past 12 months, has your company diversified its operations, clients, products, services or markets to manage your business through the downturn?
- ✓ In response to the economic downturn, does your company currently have a plan in place to diversify its operations beyond where they are today within the next 2 years? If yes, how are you planning to diversify? If no, please explain further.
- ✓ If your company has a plan in place to diversify its operations, is your company likely to hire additional people as a result of diversifying your business? If yes, how many hires do you expect in the next 12 months? What occupations? Will you be refocusing existing staff to new activities? Will you require training to accomplish this?

## Demand for Products and/or Services

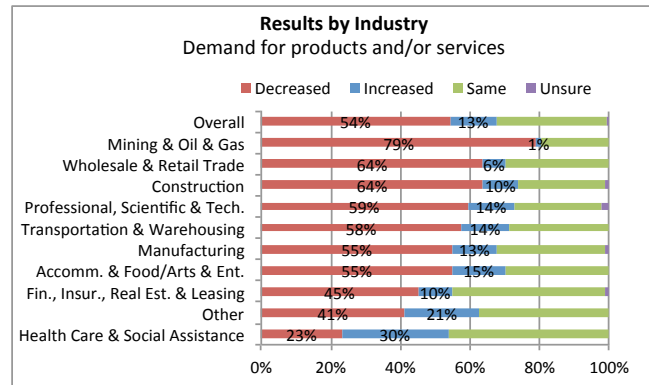
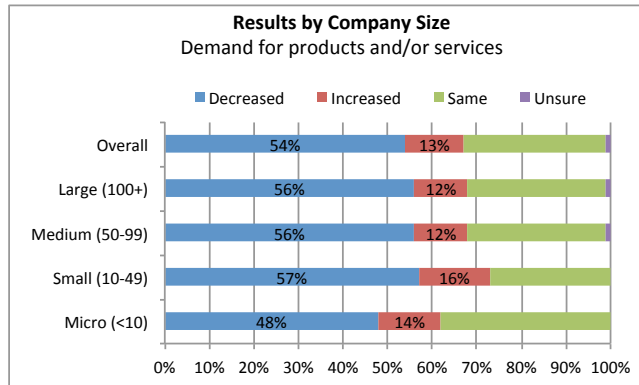
**Over half of the employers said the demand for their products and/or services decreased in the last year.**

Overall, 54 per cent of the 804 employers said the demand for their products and/or services decreased in the 12 months prior to their survey as a result of the economic downturn and drop in oil prices, 13 per cent said demand increased, and 32 per cent said demand stayed about the same.

Results were fairly similar among company sizes, but varied significantly by industry. Three-quarters of the mining and oil and gas employers said demand decreased, compared to 23 per cent of the health care and social assistance employers reporting demand decreased. Thirty per cent of the health care and social assistance employers said demand for their services increased as a result of the economic downturn.



# BUSINESS DIVERSIFICATION



**Overall, the demand for employers' products and/or services decreased by an average of 13 per cent.**

Employers were also asked to estimate a percentage change in demand for their products and/or services in the 12 months prior to their survey. Overall, 634 employers were able to provide this additional information (including no change), resulting in an average decrease in demand of 13 per cent. Results varied significantly by industry ranging from an average increase in demand of 1 per cent for employers in the health care and social assistance industry to an average decrease in demand of 32 per cent for mining and oil and gas employers.

### Estimated average change in demand in the 12 months prior to survey

Results by Industry	Number of Employers	Avg. Change (%)
Health Care & Social Assistance	70	1%
Finance, Insurance, Real Estate & Leasing	65	-1%
Wholesale & Retail Trade	64	-8%
Accommodation & Food Services/Arts & Entertainment	68	-8%
Other	67	-9%
Transportation & Warehousing	61	-13%
Manufacturing	65	-17%
Professional, Scientific & Technical Services	58	-24%
Construction	63	-25%
Mining & Oil & Gas	53	-32%
<b>Total</b>	<b>634</b>	<b>-13%</b>
Results by Company Size		
Large (100+ employees)	134	-8%
Medium (50 - 99 employees)	161	-15%
Small (10 - 49 employees)	169	-13%
Micro (<10 employees)	170	-15%
<b>Total</b>	<b>634</b>	<b>-13%</b>

*Note: 634 employers were able to provide an estimated change in demand (including no change).*

*Average does not include 170 employers that were not able to provide an estimated change in demand.*

## ***Employer Comments***

- ▶ “In the daytime things have remained the same, but the nighttime has really decreased. Overall, demand is down about 40 per cent.” - Accommodation & Food Services/Arts & Entertainment (Large-sized employer)
- ▶ “Demand has increased slightly, but it's due to growth strategies that have been in place over years that are finally paying off.” - Construction (Large-sized employer)
- ▶ “Absolutely increased. There are many people who have been laid off in the oil and gas industry that are coming to us for assistance in looking for work. Some of our previous clients are returning due to that. We help immigrant families and have seen a real increase in things like professional accreditation and general job seeker services.” - Health Care & Social Assistance (Large-sized employer)
- ▶ “We have a very diverse product mix here. Some of our products do go to the oil patch and we've seen a real reduction in those. However, our primary product is lumber for residential housing. The American housing market is quite strong now, so we've seen a real increase for that.” - Manufacturing (Large-sized employer)
- ▶ “Demand has absolutely increased significantly. We are a non-profit in family violence and due to the economy we have seen a huge escalation.” - Health Care & Social Assistance (Medium-sized employer)
- ▶ “We've had no new orders on our product line in the last 12 months. Right now we are just working through our backlog of orders. We're all about oil and gas manufacturing.” - Manufacturing (Medium-sized employer)
- ▶ “We've had an increase in the number of Americans coming here to buy vehicles.” - Wholesale & Retail Trade (Medium-sized employer)
- ▶ “We do a lot of ice rentals and corporate events, and that is down 50 per cent.” - Accommodation & Food Services/Arts & Entertainment (Small-sized employer)
- ▶ “This year we're doing fine because we're always working, but the phone is not ringing as much and we're not turning people away due to lack of time like we used to. We're getting about half as many calls, but as far as getting work we're able to keep busy.” - Construction (Small-sized employer)
- ▶ “Demand is 80 per cent lower than it was last year.” - Mining & Oil & Gas (Small-sized employer)
- ▶ “We're a hobby shop, so we're one of the last companies to get people's extra money.” - Wholesale & Retail Trade (Small-sized employer)
- ▶ “In the last four months, we have had very few new contracts. It's horrible. All of the other work we have scheduled until this upcoming spring was signed up and scheduled last spring. I've been in business for 26 years and the current demand is so low that it's scary.” - Construction (Micro-sized employer)

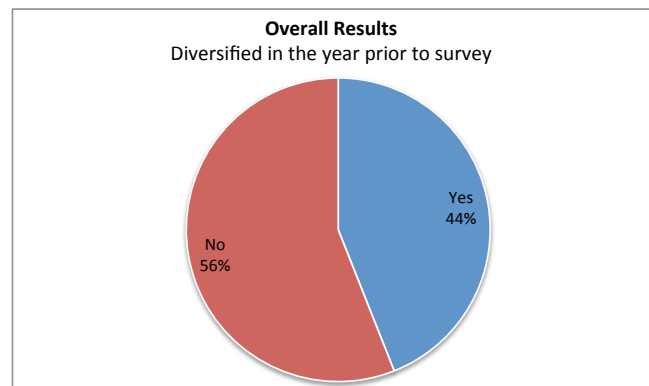
- ▶ “We're in agricultural manufacturing. Our demand has actually increased by 20 per cent.” - Manufacturing (Micro-sized employer)
- ▶ “Demand has dropped by 200 per cent. We are not busy at all.” - Mining & Oil & Gas (Micro-sized employer)
- ▶ “We are pretty fortunate in our industry and as a company. We have managed to maintain our levels at 75 per cent of where they were. There's a lot more businesses out there hurting more than we are. I've been in business for 40 years, so I've been through cyclical downturns four times in my career. This downturn is especially tough, more so than the even the one in the 1980's.” - Transportation & Warehousing (Micro-sized employer)
- ▶ “We have seen different things happening. People are not spending as much money but are doing more little things, so I would say demand is the same even if revenue is down.” - Wholesale & Retail Trade (Micro-sized employer)

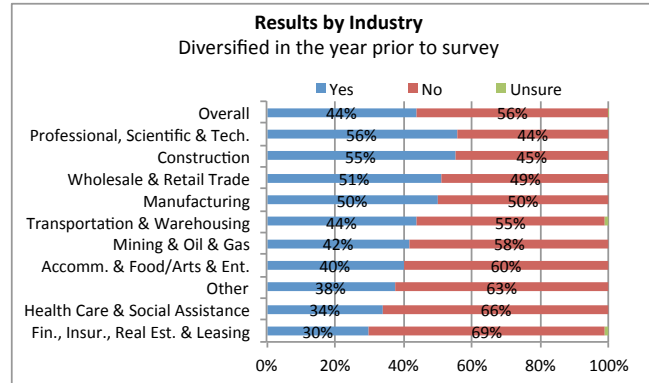
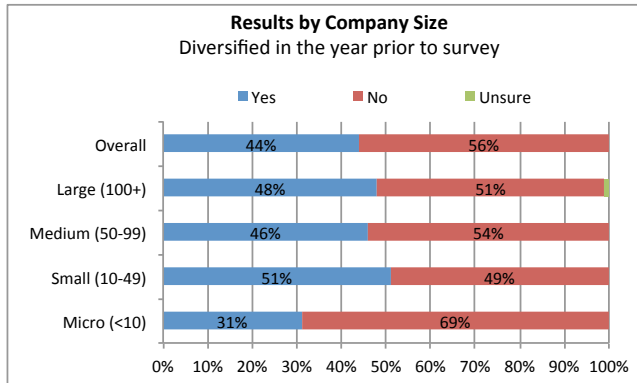
## Past Diversification

### Many employers have already taken steps to diversify.

Forty-four per cent of the employers said they diversified their operations, clients, products, services or markets in the year prior to their survey to manage their business through the downturn.

Fifty-one per cent of the small-sized employers reported they diversified in the prior year, compared to 31 per cent of the micro-sized employers. In addition, approximately 55 per cent of the professional, scientific and technical services and construction employers said they diversified to manage their businesses through the downturn, compared to 30 per cent of the finance, insurance, real estate and leasing employers and 34 per cent of the health care and social assistance employers.





## Employer Comments

- ▶ “Yes, we have launched new products to meet market demands.” - Finance, Insurance, Real Estate & Leasing (Large-sized employer)
- ▶ “Absolutely. We do not stick to one vertical market. We have 16 vertical markets. Now that things are down in oil and gas, we are concentrating our marketing, sales, design and research into other areas. For example, we are shifting focus to public safety.” - Manufacturing (Large-sized employer)
- ▶ “We have been targeting different areas of the world for new markets.” - Mining & Oil & Gas (Large-sized employer)
- ▶ “We are trying to tap into other industries other than oil and gas.” - Manufacturing (Medium-sized employer)
- ▶ “We already were quite diverse. Right now we're looking to try to find a possible area we could diversify into. Currently, we deal with clients from 2,000 companies in all industries, so there's not a lot of room there for additional diversification.” - Other (Medium-sized employer)
- ▶ “We started to diversify before the downturn in order to fill the gap in services and because it just makes good economic sense to diversify.” - Health Care & Social Assistance (Small-sized employer)
- ▶ “We have focused on research and development to bring new products to the same markets.” - Manufacturing (Small-sized employer)
- ▶ “We have tried to diversify, with limited success.” - Mining & Oil & Gas (Small-sized employer)
- ▶ “No, I'm an accountant and taxes have to be filed regardless of the economic conditions.” - Finance, Insurance, Real Estate & Leasing (Micro-sized employer)
- ▶ “We didn't need to do anything different because our industry, retail grocery supplies, is fairly recession proof. We are able to run the business the way we have all along and remain unaffected by the downturn.” - Wholesale & Retail Trade (Micro-sized employer)

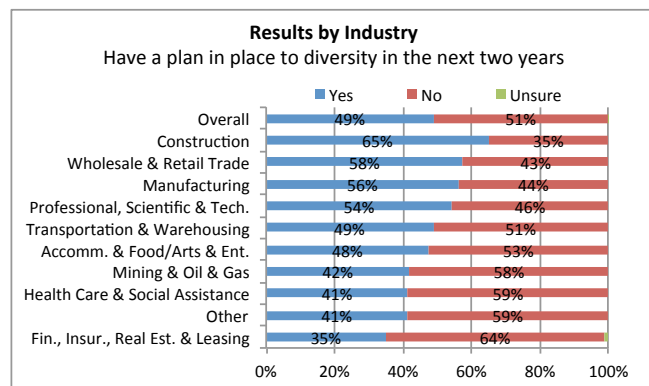
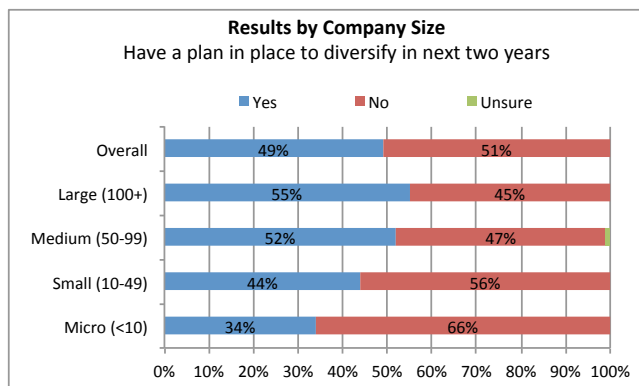
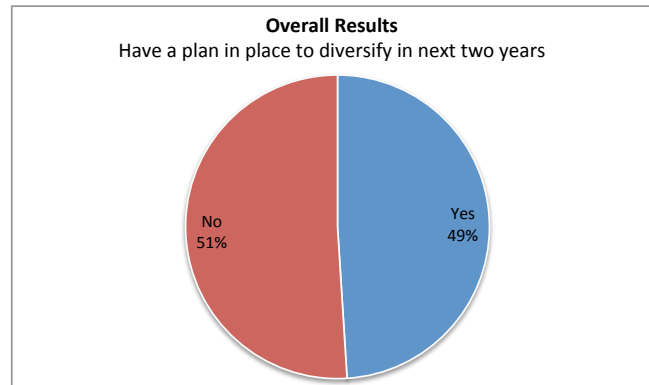
## Plan to Diversify

**Almost half of the employers have a plan in place to diversify within the next two years.**

In response to the economic downturn, 49 per cent of employers reported they currently have a plan in place to diversify their operations beyond where they are today within the next two years.

The larger the employer, the more likely they are to have a plan in place to diversify. Fifty-five per cent of the large-sized employers and 52 per cent of the medium-sized employers have a plan in place to diversify, compared to 44 per cent of the small-sized employers and 34 per cent of the micro-sized employers.

Results also varied by industry, with 65 per cent of the construction employers and 58 per cent of the wholesale and retail trade employers reporting they have a plan in place to diversify, compared to 35 per cent of the finance, insurance, real estate and leasing employers.



## Employer Comments

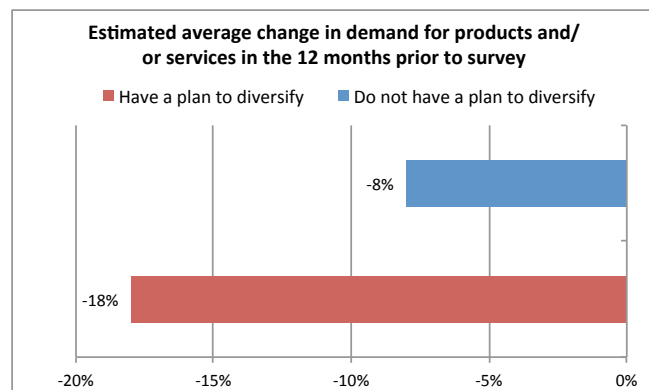
- ▶ “Absolutely. We have a strategic team. Their mandate is to work towards innovation.” - Finance, Insurance, Real Estate & Leasing (Large-sized employer)
- ▶ “We’re always looking at more efficient and effective strategies to diversify.” - Professional, Scientific & Technical Services (Large-sized employer)
- ▶ “Diversifying is critical to survival. Otherwise we would probably be laying off a couple hundred people.” - Manufacturing (Large-sized employer)
- ▶ “We are focused on a plan to continue expanding the current types of things we offer.” - Wholesale & Retail Trade (Large-sized employer)



- ▶ “We address diversification regularly through our strategic plans.” - Finance, Insurance, Real Estate & Leasing (Medium-sized employer)
- ▶ “There are no opportunities to diversify in our type of business.” - Wholesale & Retail Trade (Medium-sized employer)
- ▶ “We're a dealership, so I don't know what we could do.” - Wholesale & Retail Trade (Medium-sized employer)
- ▶ “We have already done a little bit to diversify, so we will build on that.” - Health Care & Social Assistance
- ▶ “With the current Canada/US dollar exchange rate, the economic downturn does affect our business. Therefore, we will continue to diversify.” - Manufacturing
- ▶ “Diversification will likely not take place in our office, but yes there will be diversification for the company as a whole.” - Mining & Oil & Gas
- ▶ “Yes we will continue attempts to diversify, despite limited success with our diversification strategies so far.” - Mining & Oil & Gas (Small-sized employer)
- ▶ “Yes to a degree. We are already quite diversified. What we are trying to do now is diversify further to a point, without spreading too thin.” - Professional, Scientific & Technical Services (Small-sized employer)

## Employers that have a plan to diversify experienced an average 18 per cent decline in the demand for their products and/or services in the year prior to their survey.

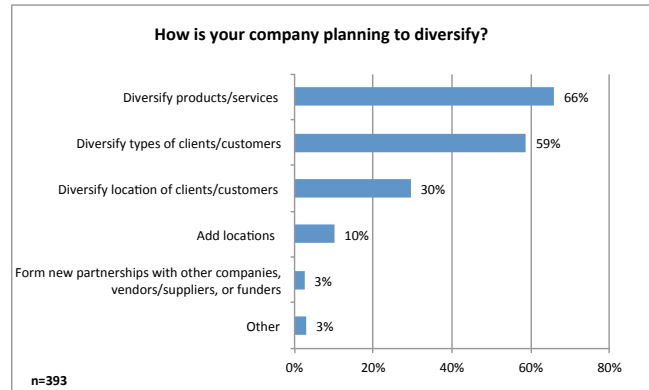
Perhaps a main reason employers have formulated a plan to diversify their operations over the next couple of years is on average, the demand for their products and/or services declined significantly more than for employers that do not have a plan to diversify. On average, employers that have a plan to diversify reported an 18 per cent decline in the demand for their products and/or services in the year prior to their survey. This compares to an average decline of 8 per cent for employers that do not have a plan to diversify.



## How Employers Plan to Diversify

### Employers that have a plan will be diversifying in a variety of ways.

Of the employers that have a plan in place to diversify within the next two years (393 employers), 66 per cent will be diversifying their products/services, 59 per cent will be diversifying the types of their clients/customers, and 30 per cent will be diversifying the location of their clients/customers. Forty-six per cent of the employers that have a plan in place to diversify (182 employers) reported they will be diversifying in more than one way.



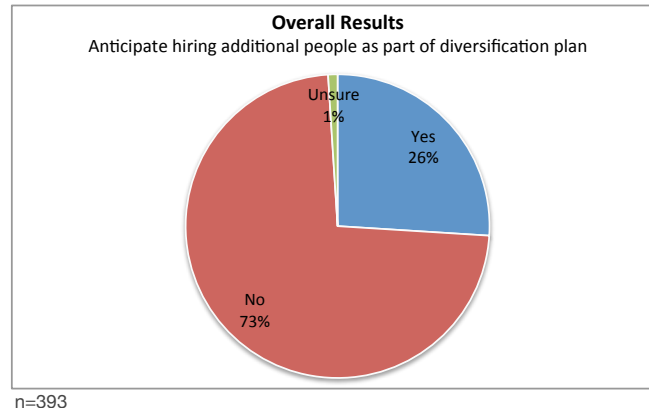
### Employer Comments

- ▶ “We will be expanding in the United States.” - Manufacturing (Large-sized employer)
- ▶ “We're adding locations in B.C. and Manitoba.” - Transportation & Warehousing (Large-sized employer)
- ▶ “We are looking to partner with other companies.” - Mining & Oil & Gas (Medium-sized employer)
- ▶ “We're focusing on different business streams. For example, our oil and gas group started focusing more on mining. With that, we are now looking internationally.” - Professional, Scientific & Technical Services (Medium-sized employer)
- ▶ “We are looking towards different industries. We are opening an office in Iowa.” - Professional, Scientific & Technical Services (Medium-sized employer)
- ▶ “We have started offering new products.” - Manufacturing (Small-sized employer)
- ▶ “We are expanding into Manitoba.” - Finance, Insurance, Real Estate & Leasing (Small-sized employer)
- ▶ “We are going to start offering fun classes for corporate groups through new events and lunch and learns. We will be expanding into new services beyond our one-act plays.” - Accommodation & Food Services/Arts & Entertainment (Micro-sized employer)
- ▶ “We will be looking beyond oilfield construction into new areas such as reclamation and cleanup. There isn't a lot of demand for what we usually do in the Calgary area, so we will have to start offering different services.” - Construction (Micro-sized employer)

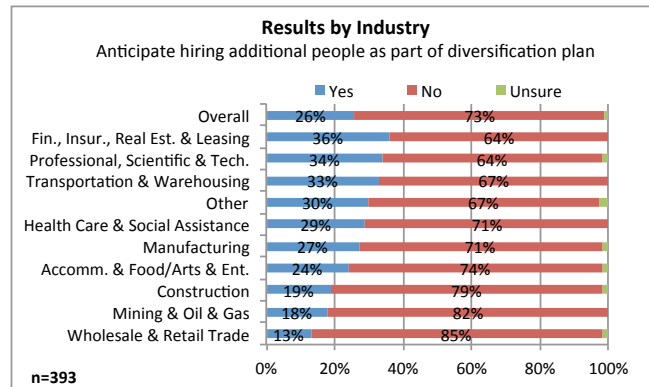
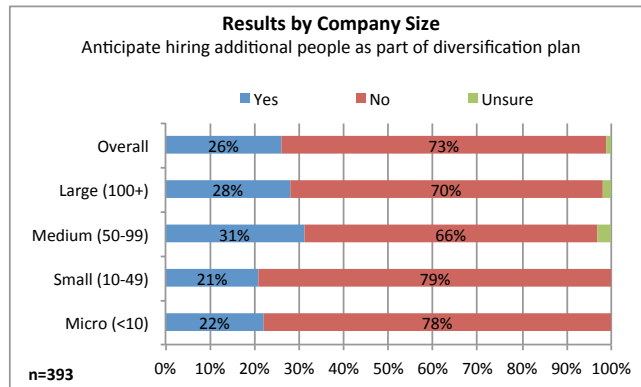
## Hiring, Refocusing and Training

**Overall, 26 per cent of the employers that have a plan to diversify will likely hire additional people as a direct result of diversification planning.**

Of the 393 employers that have a plan in place to diversify within the next two years, 26 per cent (101 employers) said they are likely to hire additional people as a result of diversifying their business. Thirty-one per cent of the medium-sized firms anticipate hiring additional people, compared to 21 per cent of the small-sized employers. In addition, 35 per cent of the finance, insurance, real estate and leasing employers, 34 per cent of the professional, scientific and technical services employers and 33 per cent of the transportation and warehousing employers reported they are likely to hire addition people, compared to 13 per cent of the wholesale and retail trade employers.



n=393



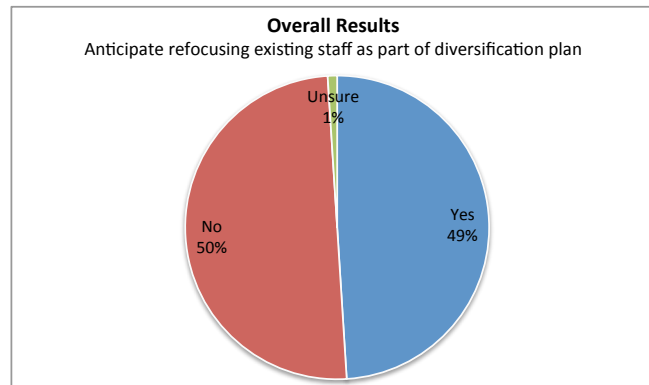
Employers estimate they will likely hire an additional 601 people as part of their diversification plan. Large-sized employers account for over half of the future hires. Looking at the various industries, future hires were concentrated among health care and social assistance, manufacturing, and 'other' employers. Additional details on future positions can be found in Appendix C.

**Are you likely to hire additional people as part of your diversification plan?**

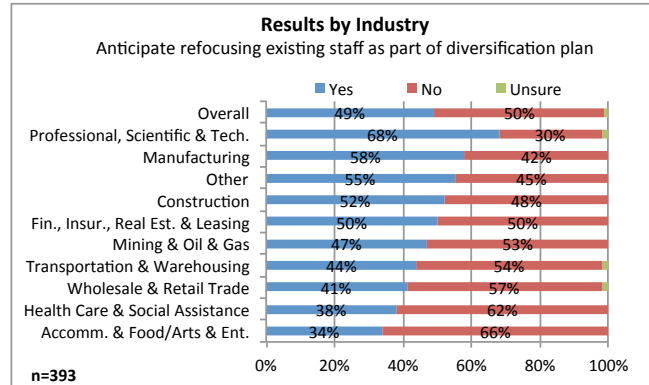
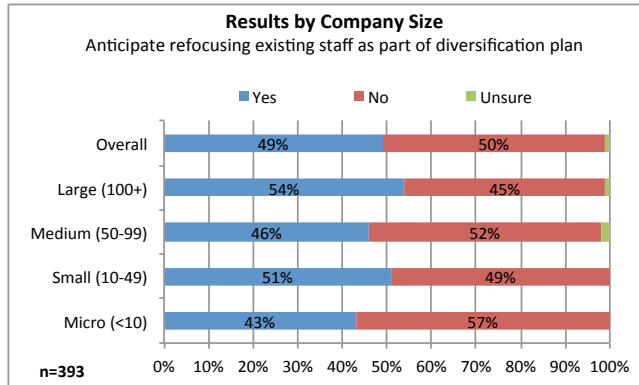
<b>Results by Industry</b>	<b>Number of employers that have a plan to diversify</b>	<b>Percentage of employers that plan to hire</b>	<b>Total future positions</b>
Health Care & Social Assistance	34	29%	129
Manufacturing	45	27%	100
Other	33	30%	97
Mining & Oil & Gas	34	18%	57
Transportation & Warehousing	39	33%	49
Professional, Scientific & Technical Services	44	34%	45
Construction	52	19%	38
Accommodation & Food Services/Arts & Entertainment	38	24%	35
Finance, Insurance, Real Estate & Leasing	28	36%	28
Wholesale & Retail Trade	46	13%	23
<b>Total</b>	<b>393</b>	<b>26%</b>	<b>601</b>
<b>Results by Company Size</b>			
Large (100+ employees)	109	28%	324
Medium (50 - 99 employees)	103	31%	180
Small (10 - 49 employees)	113	21%	72
Micro (<10 employees)	68	22%	25
<b>Total</b>	<b>393</b>	<b>26%</b>	<b>601</b>

**Overall, 49 per cent of the employers that have a plan to diversify will likely refocus existing staff to new activities.**

Of the 393 employers that have a plan in place to diversify within the next two years, 49 per cent (193 employers) said they are likely to refocus existing staff to new activities as a result of diversifying their business. Fifty-four per cent of the large-sized employers are likely to refocus existing staff, compared to 43 per cent of micro-sized employers. Sixty-eight per cent of the professional, scientific and technical services employers that have a plan to diversify anticipate they will refocus existing staff, compared to 34 per cent of the accommodation and food services/arts and entertainment employers.



n=393



Employers estimate they will likely refocus 1,733 existing staff as part of their diversification plans. Overall, employers in the mining and oil and gas industry will be refocusing the most employees (413 employees), followed by health care and social assistance (248 employees), manufacturing (240 employees) and 'other' (221 employees).

### Are you likely to refocus existing employees to new activities as part of your plan?

Results by Industry	Number of employers that have a plan to diversify	Percentage of employers that will refocus employees	Total employees to refocus
Mining & Oil & Gas	34	47%	413
Health Care & Social Assistance	34	38%	248
Manufacturing	45	58%	240
Other	33	55%	221
Construction	52	52%	184
Professional, Scientific & Technical Services	44	68%	145
Transportation & Warehousing	39	44%	114
Wholesale & Retail Trade	46	41%	88
Accommodation & Food Services/Arts & Entertainment	38	34%	45
Finance, Insurance, Real Estate & Leasing	28	50%	35
<b>Total</b>	<b>393</b>	<b>49%</b>	<b>1,733</b>
Results by Company Size			
Large (100+ employees)	109	54%	689
Medium (50 - 99 employees)	103	46%	558
Small (10 - 49 employees)	113	51%	387
Micro (<10 employees)	68	43%	99
<b>Total</b>	<b>393</b>	<b>49%</b>	<b>1,733</b>

Of the 193 employers that plan to refocus staff, 57 per cent (or 110 employers) overall said approximately 1,180 employees will require additional training as a result of refocusing. The majority of the employees that require training are employed by large-sized firms (670 employees). In addition, over 55 per cent of the employees that require training are employed in just three industries: mining and oil and gas (271 employees), health care and social assistance (229 employees) and manufacturing (166 employees).

### Will employees that are refocused need training as a result?

Results by Industry	Number of employers that will refocus employees	Percentage of employers that will require employee training	Total employees to train
Mining & Oil & Gas	16	63%	271
Health Care & Social Assistance	13	69%	229
Manufacturing	26	50%	166
Other	18	56%	153
Professional, Scientific & Technical Services	30	57%	117
Construction	27	52%	98
Transportation & Warehousing	17	53%	58
Wholesale & Retail Trade	19	58%	39
Accommodation & Food Services/Arts & Entertainment	13	69%	28
Finance, Insurance, Real Estate & Leasing	14	57%	21
<b>Total</b>	<b>193</b>	<b>57%</b>	<b>1,180</b>
Results by Company Size			
Large (100+ employees)	59	81%	670
Medium (50 - 99 employees)	47	60%	332
Small (10 - 49 employees)	58	47%	138
Micro (<10 employees)	29	24%	40
<b>Total</b>	<b>193</b>	<b>57%</b>	<b>1,180</b>

### Employer Comments

- ▶ “We try to do cross-training with all of the people in our departments. Before, everyone had a very specific role and knowledge base. Now, we make sure all of the workers can do different work to keep them busy.” - Manufacturing (Large-sized employer)
- ▶ “We will definitely try to refocus our existing staff. We are really trying not to lay anyone off.” - Transportation & Warehousing (Large-sized employer)
- ▶ “We will be hiring more salespeople to find new customers in new locations.” - Accommodation & Food Services/Arts & Entertainment (Medium-sized employer)
- ▶ “Our employees have more work by making changes to our products and services.” - Construction (Medium-sized employer)
- ▶ “We employ electricians, so refocusing is not really a relevant option for us.” - Construction (Medium-sized employer)

- ▶ “We hope to refocus our 95 existing sub-contractors rather than hire new staff.” - Mining & Oil & Gas (Medium-sized employer)
- ▶ “We will refocus as many as is necessary and possible to move around. We are trying everything we can to keep our employees working and avoid any more layoffs.” - Professional, Scientific & Technical Services (Medium-sized employer)
- ▶ “Yes, I will have existing staff working on the new product lines.” - Construction (Small-sized employer)
- ▶ “We got a grant to put together a program, so people will refocus. There is some train the trainer we're part of before we can take it into the marketplace.” - Health Care & Social Assistance (Small-sized employer)
- ▶ “We will be hiring at least three new salespeople in three new cities. We are constantly refocusing and training staff, whether the economy is good or bad.” - Manufacturing (Small-sized employer)
- ▶ “I don't think we will be hiring in the near term. Some of our employees are refocusing to work on the newer products.” - Mining & Oil & Gas (Small-sized employer)
- ▶ “We are actually looking at products that require less manpower as a way to bring our operating costs down.” - Other (Small-sized employer)
- ▶ “We will be hiring an aerospace consultant and a defense consultant so we can bid on different contracts.” - Professional, Scientific & Technical Services (Small-sized employer)
- ▶ “Yes, we will be hiring six new marketing managers to address our diversification needs.” - Professional, Scientific & Technical Services (Small-sized employer)
- ▶ “We took on a new aviation training program, so we will be hiring three new trainers as well as refocusing three other staff.” - Transportation & Warehousing (Small-sized employer)
- ▶ “We are hiring for two technical salespeople as a result of diversification.” - Wholesale & Retail Trade (Small-sized employer)
- ▶ “Ultimately I think we will be hiring more project managers. We are not refocusing staff at this point in time, but perhaps geographically we will refocus in other parts of the country in the future. At the moment everyone is utilized very well based on the positions we've hired them into. There's lots of work for them in their current roles.” - Construction (Micro-sized employer)
- ▶ “We have had to do training around digital marketing, document conversion and maintaining of the website to get ready for the refocusing of our staff.” - Health Care & Social Assistance (Micro-sized employer)
- ▶ “We will be hiring drivers, but I don't know how many people that will involve at this time. We will be refocusing maybe five staff and they will require additional in house training.” - Transportation & Warehousing (Micro-sized employer)

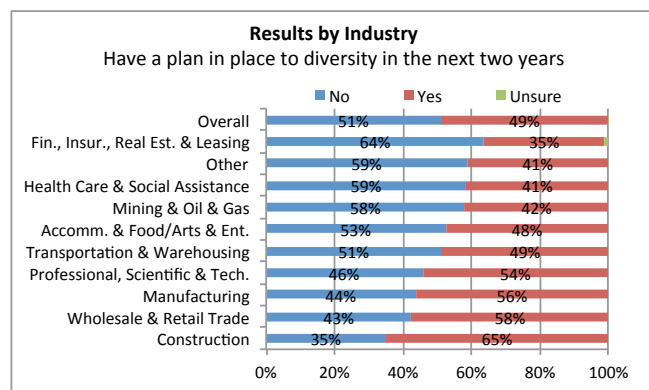
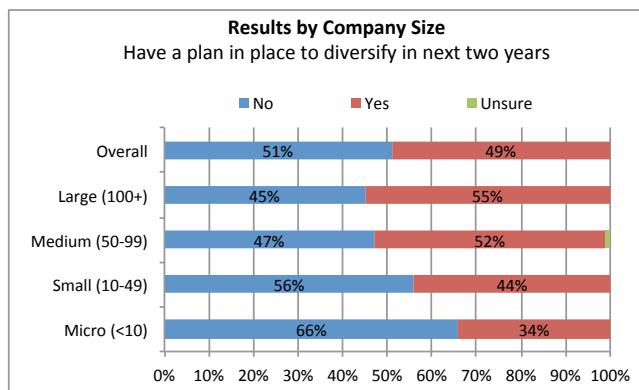
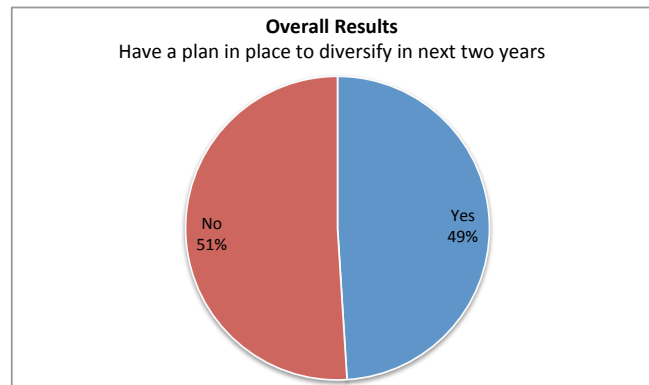
## No Plan to Diversify

**Just over half of the employers do not have a plan in place to diversify over the next two years.**

In response to the economic downturn, 51 per cent of employers reported they currently do not have a plan in place to diversify their operations beyond where they are today within the next two years.

The smaller the employer, the more likely they are to not have a plan in place to diversify. Sixty-six per cent of the micro-sized employers and 56 per cent of the small-sized employers do not have a plan in place to diversify, compared to 47 per cent of the medium-sized employers and 45 per cent of the large-sized employers.

Results also varied by industry, with 64 per cent of the finance, insurance, real estate and leasing employers reporting they do not have a plan in place to diversify, compared to 35 per cent of the construction employers.



**There are several reasons employers do not have a plan in place to diversify.**

Of the employers that do not have a plan in place to diversify within the next two years (410 employers), 43 per cent said oil prices and the economic downturn do not affect their business and 30 per cent said oil prices and the economic downturn affect their business but there is nothing they can do to diversify.



Reasons employers do not have a plan in place to diversify over the next two years	# of Employers	% of Employers
Oil prices and the economic downturn do not affect our business	176	43%
Oil prices and the economic downturn affect our business but there is nothing we can do to diversify	123	30%
That is a management/head office decision	31	8%
It is important for our business but we have not done anything to put a plan together to diversify at this point	30	7%
We have finished diversifying for now	20	5%
We are considering putting together a plan to diversify but have not started	15	4%
Diversification was not due to the economic downturn	11	3%
Company is closing	4	1%
<b>Total</b>	<b>410</b>	<b>100%</b>

### Employer Comments

- ▶ “There isn't any plan to diversify because the downturn hasn't affected the business overall. Yes some customers have been leaving. However, some other people are investing more of their time in recreation and fitness because they're not spending as much time working.” - Accommodation & Food Services/Arts & Entertainment (Large-sized employer)
- ▶ “We diversified a couple years ago. We got into trucking, heavy hauling and painting. We have already done what we can to diversify and that has helped with this current downturn.” - Construction (Large-sized employer)
- ▶ “We haven't formulated a plan because the diversification would require capital investment. In this economy, we are not in a position to invest more capital. Therefore, we will be focusing more on our core business rather than new areas.” - Wholesale & Retail Trade (Large-sized employer)
- ▶ “We provide services to people with disabilities, so the economic conditions don't really affect us. We will just keep doing what we're doing.” - Health Care & Social Assistance (Large-sized employer)
- ▶ “We are kind of insulated from the downturn in Banff, so we haven't had to diversify.” - Accommodation & Food Services/Arts & Entertainment (Medium-sized employer)
- ▶ “I don't think we've responded with diversification due to the downturn because we don't need to. We don't sell a lot in Canada. We sell in Europe and the United States. We also don't have a lot to do with the prices in Canada. The US is out of the recession, so the demand for our products and services is increasing.” - Construction (Medium-sized employer)
- ▶ “We are a landscaping contractor, and most of our contracts are intact. The grass still grows regardless of the economy.” - Other (Medium-sized employer)
- ▶ “We are regulated by the Alberta Securities Commission. This makes any diversification more onerous for our business. There's nothing we can do to help the situation so the economy keeps damaging our business.” - Finance, Insurance, Real Estate & Leasing (Small-sized employer)
- ▶ “We're operating in the same manner we have for 22 years and demand for our services continues to increase.” - Health Care & Social Assistance (Small-sized employer)

- ▶ “We have had a business plan for six years and we developed the diversification strategies we're using today at least one to two years in advance. Our business plan is not a result of the economic downturn, it's a result of good business decision making. Perhaps if more companies developed business plans, then more would still be in business. We will continue to work on our business plan and adjust it on an annual basis, but that won't be a result of the economic downturn.” - Mining & Oil & Gas (Small-sized employer)
- ▶ “We only do one thing and we do it well.” - Professional, Scientific & Technical Services (Small-sized employer)
- ▶ “No, I'm a motel. I sit here waiting for customers to come.” - Accommodation & Food Services/Arts & Entertainment (Micro-sized employer)
- ▶ “There will be no diversification because we are in plumbing and that's all we do.” - Construction (Micro-sized employer)
- ▶ “The economy has no effect on motor vehicle accidents. People still get hurt and then need our services.” - Health Care & Social Assistance (Micro-sized employer)
- ▶ “No because our past attempts at diversification haven't been successful.” - Professional, Scientific & Technical Services (Micro-sized employer)

## Business Diversification Resources

While business diversification can be a way to grow and prosper or create and maintain a measure of stability, the decision to diversify will always be a calculated risk. It is imperative that firms thoroughly analyze how diversifying may affect every aspect of their business before proceeding, including finances, human resources, clients, production, information technology and marketing.

There are many resources available to employers wanting to develop a diversification strategy.

- ▶ **Business Development Bank of Canada (BDC):** The government-owned BDC supports entrepreneurs in all industries and at all stages of development from more than 100 business centres across Canada and online. BDC, its subsidiary BDC Capital, and BDC Advisory Services offers financing and securitization, specialized financing such as venture capital and growth and transitional capital, as well as non-finance related consulting services. [www.bdc.ca](http://www.bdc.ca)
- ▶ **Concierge:** Concierge is delivered by the National Research Council of Canada Industrial Research Assistance Program (NRC-IRAP) in collaboration with federal and provincial partners. The service is a single access point to funding, expertise, facilities, and global opportunities for small- and medium-sized businesses seeking to grow through innovation. Concierge offers free, one-on-one assistance from expert advisors who provide customized guidance in selecting the most relevant programs and services to help businesses grow. [www.concierge.innovation.gc.ca](http://www.concierge.innovation.gc.ca)
- ▶ **Western Canada Business Service Network (WCBSN):** Delivered by Western Economic Diversification Canada (WD), the WCBSN consists of several integrated organizations that provide entrepreneurs with services and resources to help Western Canadians start, grow and expand their businesses. This network of more than 100 offices across the west, includes the following four organizations: [www.wd-deo.gc.ca/eng/99.asp](http://www.wd-deo.gc.ca/eng/99.asp)
  - ▶ **Canada Business:** Canada Business is a government information service for businesses and start-up entrepreneurs and provides a single point of access for federal and provincial/territorial government services, programs and regulatory requirements for business. [www.canadabusiness.ca](http://www.canadabusiness.ca)
  - ▶ **Community Futures:** There are 90 Community Futures non-profit corporations across western Canada delivering a variety of services including strategic economic planning, technical and advisory services to businesses, loans to small and medium-sized businesses, self-employment assistance programs, and services targeted to youth and entrepreneurs with disabilities. The Community Futures Network of Canada website is a gateway to 269 Community Economic Development Centres across Canada. This network works together to foster entrepreneurship and community economic development in rural areas of western Canada. [www.communityfuturescanada.ca](http://www.communityfuturescanada.ca)

- ▶ **Women's Enterprise Initiative (WEI):** These non-profit centres, with offices in each of the four western provinces, provide a variety of services for women entrepreneurs including advisory services, training options, networking opportunities, business loans and referrals to complementary services. [www.wd-deo.gc.ca/eng/256.asp](http://www.wd-deo.gc.ca/eng/256.asp)  
**Alberta Women Entrepreneurs** is the WEI office in Alberta. [www.awebusiness.com](http://www.awebusiness.com)
- ▶ **Francophone Economic Development Organizations (FEDO):** These independent regional organizations, with offices in each of the four western provinces, provide services to Francophone entrepreneurs including training, business and community economic development, access to capital, information services, marketing advice, networking and mentoring. [www.wd-deo.gc.ca/eng/257.asp](http://www.wd-deo.gc.ca/eng/257.asp)  
**Conseil de développement économique de l'Alberta** is the FEDO office in Alberta.  
[www.lecdea.ca](http://www.lecdea.ca)
- ▶ **Business Link:** Business Link is a non-profit organization funded by the provincial and federal governments helping Alberta small business owners. Services include advice and research, training and webinars, specialized support to Aboriginal communities and entrepreneurs, small business events and networking opportunities and various other small business tools and resources.  
[www.businesslink.ca](http://www.businesslink.ca)
- ▶ **Alberta Economic Development and Trade:** Provides information on the Alberta government's economic development efforts and access to information and support for businesses and investors.  
[www.alberta.ca/ministry-economic-development-trade.aspx](http://www.alberta.ca/ministry-economic-development-trade.aspx)
- ▶ **Alberta Small Business Resources:** The Government of Alberta's directory of business resources is for new and established entrepreneurs. [www.smallbusiness.alberta.ca](http://www.smallbusiness.alberta.ca)
- ▶ **Calgary Economic Development (CED):** CED is a not-for-profit corporation funded by the City of Calgary, community partners, other orders of government and the private sector through the Action Calgary program. CED works with business, government and community partners for the purpose of attracting business investment, fostering trade and growing Calgary's workforce.  
[www.calgaryeconomicdevelopment.com](http://www.calgaryeconomicdevelopment.com)
- ▶ **Startup Calgary:** Now part of Calgary Economic Development, Startup Calgary supports the city's early-stage entrepreneurs through local programs and events. [www.startupcalgary.ca](http://www.startupcalgary.ca)

## Conclusion

The steep drop in the price of oil and subsequent economic downturn in Alberta over the last couple of years has had a profound impact on Calgary and area employers. According to the 2016 Calgary & Area Employer survey, over half of the 804 employers said the demand for their products and/or services declined in the last year as a result of the economic downturn and fall in oil prices. And while it makes sense that mining and oil and gas employers were the most negatively affected, with demand for products and/or services declining by an estimated average of 32 per cent in the year prior to the survey, the majority of the other industries were also negatively impacted. Construction employers estimated demand for their products and/or services declined by an average of 25 per cent, along with professional, scientific and technical services (-24 per cent), manufacturing (-17 per cent) and transportation and warehousing (-13 per cent).

The weak economic conditions have prompted many Calgary and area employers to consider diversification strategies. Forty-four per cent of the employers surveyed said they have already diversified their operations in the last year to manage their business through the downturn, while 49 per cent said they have a plan in place to diversify beyond where they are in the next two years.

For many, that means diversifying their products and/or services, diversifying the types of clients/customers, or diversifying the location of their clients/customers. *“We will be looking beyond oilfield construction into new areas such as reclamation and cleanup”*, said one micro-sized construction employer. *“There isn’t a lot of demand for what we usually do in the Calgary area, so we will have to start offering different services.”* Forty-six per cent of the employers that have a plan in place to diversify reported they will be diversifying in more than one way.

And for many of the employers with plans to diversify, new jobs will be created, staff will be refocused to new activities, and employees will require training. Overall, 26 per cent of the employers that have a plan to diversify estimate they will hire over 600 additional people as part of their diversification plan. In addition, 49 per cent of the employers that have a plan to diversify expect to refocus over 1,700 employees to new activities, with an estimated 1,180 people requiring training as a result of refocusing.

On the flip side, 51 per cent of the 804 employers said they do not have a plan to diversify their operations beyond where they are today within the next two years. The top reason mentioned for not having a plan to diversify was that oil prices and the economic downturn do not affect their business - in fact 32 per cent of the employers said demand for their products and/or services has remained relatively unchanged, while 13 per cent reported demand has actually increased. *“We’re operating in the same manner we have for 22 years and demand for our services continues to increase,”* reported one small-sized health care and social assistance employer.

However, that is not the only reason employers do not have a plan to diversify. Thirty per cent of the employers that do not have a plan in place to diversify believe there is nothing they can do to diversify, while other employers feel it is important or are considering diversifying, but have no concrete plan in place as of yet. In addition, some employers said they have finished diversifying for now, or have plans to close the business.

Deciding whether or not to diversify is not an easy decision, particularly during tough economic times. There are a variety of resources available to employers wanting to develop a diversification strategy. Many Calgary and area employers are looking ahead and have made the commitment to develop a more diverse balance of clients, expand existing products or services, introduce new products or services, and increase geographic reach. The result of this strategic planning, if researched, analyzed and implemented correctly, should allow employers to better weather changing market conditions and build for the future.

## Appendix A: Survey Methodology

In 2016, telephone surveys were conducted with 804 Calgary and area employers. Results are published in the 2016 Quarterly Calgary and Area Labour Market Reports on the Alberta Community and Social Services website. [www.humanservices.alberta.ca/services-near-you/2395.html](http://www.humanservices.alberta.ca/services-near-you/2395.html)

The purpose of the quarterly survey is to gather information from Calgary and area employers on their recruitment and retention practices, as well as various other employment issues they are facing. In 2016, employers were asked questions about company expansions and downsizes, layoffs, vacant positions, future employment, recruitment methods, recruiting difficulties, employee turnover and retention strategies. Over the course of the year, employers were divided into four categories based on the number of employees in the company and results of the survey were reported on as follows:

- ▶ Q1 2016 Calgary and Area Labour Market Report: 200 large-sized companies with 100+ employees
- ▶ Q2 2016 Calgary and Area Labour Market Report: 201 medium-sized companies with 50 – 99 employees
- ▶ Q3 2016 Calgary and Area Labour Market Report: 201 small-sized companies with 10 – 49 employees
- ▶ Q4 2016 Calgary and Area Labour Market Report: 202 micro-sized companies with <10 employees and Summary of Results of 804 companies.

In addition to the general questions about recruitment and retention practices, employers were asked the following specific questions about their plans to diversify their businesses:

- ▶ Overall, in the last 12 months, has the demand for your products/services increased, decreased or stayed the same as a result of the economic downturn and drop in oil prices?
- ▶ In the past 12 months, has your company diversified its operations, clients, products, services or markets to manage your business through the downturn?
- ▶ In response to the economic downturn, does your company currently have a plan in place to diversify its operations beyond where they are today within the next 2 years? If yes, how are you planning to diversify? If no, please explain further.
- ▶ If your company has a plan in place to diversify its operations, is your company likely to hire additional people as a result of diversifying your business? If yes, how many hires do you expect in the next 12 months? What occupations? Will you be refocusing existing staff to new activities? Will you require training to accomplish this?

# BUSINESS DIVERSIFICATION

The **Q1 2016** Calgary and Area Employer Survey is based on responses to a telephone questionnaire conducted in January, February and March 2016 of Calgary and area employers with **100+ employees (large-sized employers)**. Following are the number of respondents from each industry sector.

## Q1 2016 Survey Respondents

Industry	Number of Respondents
Mining & Oil & Gas	20
Construction	20
Manufacturing	20
Wholesale & Retail Trade	20
Transportation & Warehousing	20
Professional, Scientific & Technical Services	20
Health Care & Social Assistance	20
Accommodation & Food Services/Arts & Entertainment	20
Finance, Insurance, Real Estate & Leasing	20
Other	20
<b>Total</b>	<b>200</b>

The **Q2 2016** Calgary and Area Employer Survey is based on responses to a telephone questionnaire conducted in April, May and June 2016 of Calgary and area employers with **50 - 99 employees (medium-sized employers)**. Following are the number of respondents from each industry sector.

## Q2 2016 Survey Respondents

Industry	Number of Respondents
Mining & Oil & Gas	20
Construction	20
Manufacturing	20
Wholesale & Retail Trade	20
Transportation & Warehousing	20
Professional, Scientific & Technical Services	21
Health Care & Social Assistance	20
Accommodation & Food Services/Arts & Entertainment	20
Finance, Insurance, Real Estate & Leasing	20
Other	20
<b>Total</b>	<b>201</b>

The **Q3 2016** Calgary and Area Employer Survey is based on responses to a telephone questionnaire conducted in July, August and September 2016 of Calgary and area employers with **10 - 49 employees (small-sized employers)**. Following are the number of respondents from each industry sector.



## Q3 2016 Survey Respondents

Industry	Number of Respondents
Mining & Oil & Gas	21
Construction	20
Manufacturing	20
Wholesale & Retail Trade	20
Transportation & Warehousing	20
Professional, Scientific & Technical Services	20
Health Care & Social Assistance	20
Accommodation & Food Services/Arts & Entertainment	20
Finance, Insurance, Real Estate & Leasing	20
Other	20
<b>Total</b>	<b>201</b>

The **Q4 2016** Calgary and Area Employer Survey is based on responses to a telephone questionnaire conducted in October, November and December 2016 of Calgary and area employers with **<10 employees (micro-sized employers)**. Following are the number of respondents from each industry sector.

## Q4 2016 Survey Respondents

Industry	Number of Respondents
Mining & Oil & Gas	20
Construction	20
Manufacturing	20
Wholesale & Retail Trade	20
Transportation & Warehousing	20
Professional, Scientific & Technical Services	20
Health Care & Social Assistance	22
Accommodation & Food Services/Arts & Entertainment	20
Finance, Insurance, Real Estate & Leasing	20
Other	20
<b>Total</b>	<b>202</b>

The 'Other' industry category includes a variety of companies from the remainder of the industry categories: Agriculture, Utilities, Information & Culture, Management of Companies, Administrative & Support Services, Educational Services, Other Services and Public Administration.

The Calgary Region boundaries include the city of Calgary, communities west to Lake Louise, including Banff, Canmore and Cochrane, east to Chestermere, north to Crossfield, including Airdrie, and south to Cayley, including High River and Okotoks.

## Appendix B: Additional Employer Comments

### Demand for Products and/or Services

#### Large-Sized Employers (Q1 2016)

- ▶ “I would say we have decreased by about 30 per cent.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “For the last two months, we have seen a decrease of about 10 per cent. Up until the end of the year [2015], we were good.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “I would say we have seen a decrease of about 50 per cent.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “The general demand is down 50 per cent. We support new home construction.” - Construction
- ▶ “We are a luxury home builder, so we have seen a decline in sales. However, we have started looking into other markets to counteract that decline.” - Construction
- ▶ “We have seen a decrease in overall demand, but it's not as simple as that. We have a number of different companies choosing to bid on the type of work we do who never did before. It's so competitive that we're not able to put markups in our bids, and therefore we're not able to keep people working in between projects. There's not as much work in Calgary, there's more bidding going on, and the market is just a lot less fruitful.” - Construction
- ▶ “We do a variety of different types of business and finance law. Demand has increased for some work and decreased for other work.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We have seen a 10-20 per cent increase in our contacts with clients.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We're in the long term care industry, so the demand is still there.” - Health Care & Social Assistance
- ▶ “We are down 50 per cent.” - Manufacturing
- ▶ “We have about a two year lag between what happens in oil and gas and what happens to us. We won't see the effects for another year to 18 months.” - Manufacturing
- ▶ “We're project orientated, and we have no new projects on the go so I would say we're down 50 per cent.” - Manufacturing
- ▶ “We have decreased significantly, by about 60 per cent, and we will continue to decrease.” - Manufacturing
- ▶ “We're an oil and gas company. Our product price is down. Other oil producing companies are not helping and international storage facilities are overflowing. I can't estimate how much demand has decreased.” - Mining & Oil & Gas
- ▶ “I would say possibly by 60 per cent.” - Mining & Oil & Gas

- ▶ “Our regular membership has decreased but our overall membership has increased. This is because we are getting more participants that are requesting subsidized services.” - Other
- ▶ “For the current school year, we have stayed about the same. For the next school year, we are anticipating a downsizing.” - Other
- ▶ “We have actually seen an increase of 5-10 per cent. We haven't finalized our reporting on enrollment, but that would be the range.” - Other
- ▶ “It's hard to know the full extent of the downturn on our upcoming summer landscaping season. We have seen a very big reduction in demand. We are down upwards of 30 per cent or more in the work we should have by now.” - Other
- ▶ “Demand has remained about the same. We just get more special short term contracts rather than regular long term contracts.” - Other
- ▶ “That depends on the area. In some communities, we dropped. However, we built a new day care centre in another community and it's full. Overall, I would say we've stayed about the same.” - Other
- ▶ “The demand has increased again, but I don't have numbers. We have the Syrian refugee crisis and increasing unemployment that hits the immigrant population more, so the overall demand for our services has certainly increased.” -Professional, Scientific & Technical Services
- ▶ “I would estimate there has been somewhere between 40 and 50 per cent decrease.” - Professional, Scientific & Technical Services
- ▶ “Overall, there has been a 10 per cent increase in demand. We are a global company with regional offices all over the world. Canada is just one region for us.” - Professional, Scientific & Technical Services
- ▶ “We have experienced a 60 - 70 per cent decrease in demand.” - Transportation & Warehousing
- ▶ “In 2015 we were pretty close to the year before [2014]. Then this year, so far as of February 2016 anyway, the trend is downward. I don't know for sure by how much, but I'm going to guess about 20 per cent.” - Wholesale & Retail Trade
- ▶ “We have decreased significantly, by about 30 per cent.” - Wholesale & Retail Trade

## Medium-Sized Employers (Q2 2016)

- ▶ “We're in Canmore, so we're part of the Banff and Canmore bubble that has actually seen an increase in tourism.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “Our food and beverage department is down about 18 per cent.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “Demand has definitely decreased. We have implemented a work share program.” - Construction
- ▶ “We have decreased by about half.” - Construction

- ▶ “We have two divisions. Property management has stayed the same, but brokerage has decreased by at least 40 per cent.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We have increased because of our thrift store. People want to buy from us due to their own lack of resources.” - Health Care & Social Assistance
- ▶ “We're an employment centre providing human and social services, so demand has increased by about 30 per cent.” - Health Care & Social Assistance
- ▶ “What I'm willing to say is that we're still in business.” - Manufacturing
- ▶ “We have seen a decrease in demand. We're a custom fabricator. We don't have a season like certain companies. Our sales depend purely on who is building or in this case not building.” - Manufacturing
- ▶ “We have decreased slightly, by about 5 to 7 per cent.” - Manufacturing
- ▶ “We have decreased hugely, by approximately 90 per cent.” - Mining & Oil & Gas
- ▶ “We're in oil and gas, so we've definitely seen a decrease. I would estimate there has been a 60 to 70 per cent decrease.” - Mining & Oil & Gas
- ▶ “We have seen demand decrease by over 50 per cent.” - Professional, Scientific & Technical Services
- ▶ “I would estimate demand has decreased by 60 to 70 per cent.” - Professional, Scientific & Technical Services
- ▶ “We have decreased slightly, I would estimate about 8 to 9 per cent.” - Wholesale & Retail Trade
- ▶ “This year so far we have decreased by around 5 per cent.” - Wholesale & Retail Trade

## Small-Sized Employers (Q3 2016)

- ▶ “Customer occupancy of rooms is down by about 20 per cent. However, our room rates are higher. For that reason, despite decreased demand, we are actually making more money.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “Our demand has increased by 20 per cent at least. This is the busiest summer ever here.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “There has been a slight decrease that was probably about 20 per cent.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “That's tricky because we're a very diversified company. In some areas there's been an increase and others a decrease. Overall, I would say demand has remained about the same.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We are an appointed, delegated and governed insurance council, so the overall interest in what we do has increased.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We have decreased by about a third.” - Finance, Insurance, Real Estate & Leasing

- ▶ “The demand has just shifted from some areas of the business to other areas.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We operate under a fee for service system. We will provide services up front and wait for payment for up to 90 days. We can do it immediately whereas others often cannot. For that reason, our demand has not been negatively impacted by the downturn.” - Health Care & Social Assistance
- ▶ “We're an international non-profit, so demand has increased.” - Health Care & Social Assistance
- ▶ “The number of client referrals has increased, but we're limited in the amount we can take on. According to the government, we can't take on more people than we have been supporting in the past.” - Health Care & Social Assistance
- ▶ “The demand for employment applications coming here has increased, but the demand for our business services has not increased.” - Health Care & Social Assistance
- ▶ “Our demand has greatly increased by about 30 per cent as a direct result of the economic downturn.” - Health Care & Social Assistance
- ▶ “Our company is global, so overall demand has stayed the same.” - Manufacturing
- ▶ “We are pretty oil dependent in our line of manufacturing, so we have seen a 50 per cent decrease in demand.” - Manufacturing
- ▶ “We're in oil and gas, so the demand is clearly down due to the oversupply of oil.” - Mining & Oil & Gas
- ▶ “There has been an increase in membership for sure, by about 9 per cent over the past year. Our circulation stats have gone up along with that by about 10-15 per cent.” - Other
- ▶ “Surprisingly, we have seen an increase of about 10 per cent.” - Professional, Scientific & Technical Services
- ▶ “Regionally we have decreased by at least 50 per cent.” - Professional, Scientific & Technical Services
- ▶ “During the last couple of years, we've been very, very slow. This year work has picked up and there's more interest in growth now. We have a fair amount of work in house and I'm hoping the upward trend continues.” - Professional, Scientific & Technical Services
- ▶ “In terms of work there has been a 60 per cent decrease, and in terms of money there has been a 40 per cent decrease.” - Transportation & Warehousing
- ▶ “Liquor is recession proof, so demand has remained the same.” - Wholesale & Retail Trade
- ▶ “This is not necessarily a result of the economic downturn, but we have seen a 150 per cent increase in demand. We sell products that ship across Canada and the world, so we haven't been affected negatively.” - Wholesale & Retail Trade
- ▶ “We have decreased by about 80 per cent.” - Wholesale & Retail Trade

## Micro-Sized Employers (Q4 2016)

- ▶ “We're in tourism in Alberta. There's no downturn in our industry. There's been an increase in demand by 20 per cent or more.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “Demand has definitely decreased, by 50 per cent at least.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “The economic downturn has not made a difference in terms of the core services we provide, but there are fewer people buying the extra treats.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “Demand has decreased by 60 per cent.” - Construction
- ▶ “I'm down 50 per cent or more.” - Construction
- ▶ “The demand has decreased by about 80 per cent.” - Construction
- ▶ “It's increased in volume oddly enough, but our customer's budgets are tighter.” - Construction
- ▶ “Demand has decreased by a good 85 per cent.” - Construction
- ▶ “With the new taxes and everything else I would estimate demand has decreased by about 25 per cent.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We are going to be suspending our corporate business in Calgary.” - Manufacturing
- ▶ “Demand is down by a third.” - Manufacturing
- ▶ “There's just not much going on with the business right now.” - Manufacturing
- ▶ “We are down at least 50 per cent.” - Manufacturing
- ▶ “Demand decreased by 70 per cent.” - Mining & Oil & Gas
- ▶ “We are definitely down. I just did the books and we're down 56 per cent from where we were last year.” - Mining & Oil & Gas
- ▶ “Our demand is down almost 100 per cent.” - Mining & Oil & Gas
- ▶ “Demand for our recruiting services is down by 75 per cent.” - Other
- ▶ “Demand has decreased by about 60 per cent.” - Other
- ▶ “We have decreased dramatically, by 60-70 per cent.” - Professional, Scientific & Technical Services
- ▶ “Our demand is down 100 per cent.” - Professional, Scientific & Technical Services
- ▶ “We're really busy right now. Demand has stayed the same or improved in spite of the economic downturn.” - Professional, Scientific & Technical Services
- ▶ “Demand is down by 80 per cent.” - Professional, Scientific & Technical Services

- ▶ “What economic downturn? We have seen an increase in demand. I know that's an enviable position to be in.” - Transportation & Warehousing
- ▶ “We had about an eight month period where demand just dropped and dropped due to a trickle down effect. Following that we had a period of stability of six months where things stayed right at the same level. In the last three months I've seen quite a good increase in customers, either those returning or new customers. I can honestly say I've had an upswing and I think it will continue.” - Transportation & Warehousing
- ▶ “Our demand has decreased by 60 per cent.” - Transportation & Warehousing
- ▶ “Demand has absolutely decreased horrifically, by at least 50 per cent.” - Wholesale & Retail Trade
- ▶ “Ours is down by 80 per cent.” - Wholesale & Retail Trade
- ▶ “It's probably decreased by 75-80 per cent.” - Wholesale & Retail Trade
- ▶ “I would say there has been a decrease of 50 per cent.” - Wholesale & Retail Trade

## Past Diversification

### Large-Sized Employers (Q1 2016)

- ▶ “We have been coming up with new promotions in order to bring in new clients.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “We have begun diversifying our clients and markets.” - Construction
- ▶ “We've increased our marketing, lowered our pricing on larger projects and increased our minimum starting wage.” - Manufacturing
- ▶ “We're certainly trying to do that. We've bid on new projects.” - Manufacturing
- ▶ “We did do some diversification, but that occurred more like two years ago.” - Mining & Oil & Gas
- ▶ “We have already started diversifying and we will continue to do just that.” - Professional, Scientific & Technical Services
- ▶ “We are moving into a period of diversification in the next few months.” - Professional, Scientific & Technical Services
- ▶ “We have already started to diversify our client base.” - Professional, Scientific & Technical Services
- ▶ “Not yet, but I know that we have a plan in place for that.” - Wholesale & Retail Trade

### Medium-Sized Employers (Q2 2016)

- ▶ “We diversified our clients and markets.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “We are managing to book orders around where we were supposed to be last year, so there hasn't been a pressing need to diversify due to the economy.” - Manufacturing
- ▶ “We have been aggressive in getting new business and so forth. We have landed a couple of customers doing that and were fortunate that a major customer came onside. Sales were paced slower in October, November and December, but in January they started to come back up. In February we were only off about 3 per cent, in March it dropped to about 2 per cent. In April we might even be year over year back to where we were.” - Manufacturing
- ▶ “We are moving into a period of diversification in the next few months.” - Professional, Scientific & Technical Services
- ▶ “We're attempting to, but so far we don't know how successful our efforts will be.” - Transportation & Warehousing
- ▶ “No because any planning that we do takes a couple of years to really get in motion.” - Transportation & Warehousing



## Small-Sized Employers (Q3 2016)

- ▶ “We did a complete renovation of the hotel.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “We diversified our client base.” - Construction
- ▶ “There's always an adverse impact to our licensing business line if other employment opportunities aren't there. However there has been an increase in contact with our business, so we don't need to diversify.” - Finance, Insurance, Real Estate & Leasing
- ▶ “Closing our office in Calgary and allowing our Calgary employees to work from home were diversification strategies that resulted in massive savings to our bottom line.” - Manufacturing
- ▶ “We have entered into new markets.” - Manufacturing
- ▶ “We have been in business for 30 years. We don't advertise beyond the yellow pages, google and our website because everyone already knows what we do. Our custom kitchen cabinets last and last. We've had repeated clients come back to us. We do work for high end homes for the most part. Word of mouth has been keeping us where we are.” - Manufacturing
- ▶ “We have certainly started looking at other clients in other markets.” - Mining & Oil & Gas
- ▶ “No. We diversified in the last 24 months but not in the last 12 months.” - Wholesale & Retail Trade

## Micro-Sized Employers (Q4 2016)

- ▶ “Yes we've added programs to reach a wider base.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “We constantly have projects because our contracts are often for the government, so there is no need for us to diversify.” - Construction
- ▶ “Not really because we had our additional products rolling out or being developed before 12 months ago.” - Finance, Insurance, Real Estate & Leasing
- ▶ “No, I have just downsized in response to the downturn.” - Manufacturing
- ▶ “We have tried branching out into other areas, but most of our customers are in oil and gas.” - Professional, Scientific & Technical Services

## How Employers Plan to Diversify

### Large-Sized Employers (Q1 2016)

- ▶ “We are considering three or four locations, but we haven't decided on that yet.” - Construction
- ▶ “We have started to bid on different types of contracts.” - Construction
- ▶ “We are diversifying into new markets.” - Construction
- ▶ “We are seeking out new markets.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We are opening a new location in Calgary.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We are looking at adding more locations across Canada.” - Manufacturing
- ▶ “We will be acquiring new assets.” - Mining & Oil & Gas
- ▶ “We will be diversifying our offerings with new programming to attract new students and new avenues to achieve educational excellence.” - Other
- ▶ “We're renovating one of our existing locations and opening two new locations in Calgary.” - Other
- ▶ “We're diversifying into other sectors.” - Professional, Scientific & Technical Services
- ▶ “Yes, we will add locations in the U.S. and Asia.” - Professional, Scientific & Technical Services
- ▶ “We are opening new locations internationally.” - Professional, Scientific & Technical Services
- ▶ “We will be looking at diversifying into new markets through Canada wide acquisitions.” - Transportation & Warehousing
- ▶ “We are forming new partnerships with vendors and manufacturers.” - Wholesale & Retail Trade
- ▶ “We are looking to opportunities in other sectors.” - Wholesale & Retail Trade

### Medium-Sized Employers (Q2 2016)

- ▶ “We are looking at restructuring and cost cutting measures.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “There is a greater focus on marketing and advertising.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “We are seeking out fundraising alternatives.” - Health Care & Social Assistance
- ▶ “We will be opening a new location in Pennsylvania.” - Manufacturing
- ▶ “We are opening two locations in northern Alberta.” - Mining & Oil & Gas
- ▶ “We are seeking different sponsors in other industries.” - Other
- ▶ “We're thinking about offering our services to different industries.” - Transportation & Warehousing
- ▶ “We are forming new partnerships with vendors and manufacturers.” - Wholesale & Retail Trade

- ▶ “We are interested in new markets.” - Wholesale & Retail Trade

## **Small-Sized Employers (Q3 2016)**

- ▶ “We will be seeking out new suppliers.” - Construction
- ▶ “We have merged with our parent company, so we're able to reach different clients and offer more services.” - Construction
- ▶ “We are seeking out grants and alternative funding sources.” - Health Care & Social Assistance
- ▶ “We are relying on expanding internationally.” - Health Care & Social Assistance
- ▶ “We are employing new salespeople in Grande Prairie, Lloydminster and Fort McMurray.” - Manufacturing
- ▶ “Our parent company is looking to expand internationally.” - Mining & Oil & Gas
- ▶ “We're investing in new technology.” - Professional, Scientific & Technical Services
- ▶ “We are opening an office in Cochrane.” - Professional, Scientific & Technical Services
- ▶ “The expansion of our locations will take place in BC.” - Transportation & Warehousing

## **Micro-Sized Employers (Q4 2016)**

- ▶ “We will be focusing more on marketing our museum to more clients. We will also be offering more special events.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “We are offering more unique products and services, such as new cabinet designs.” - Construction
- ▶ “We have started to look outside of Alberta.” - Construction
- ▶ “We are trying our best to find work outside of the province. There are opportunities in BC and the Northwest Territories.” - Construction
- ▶ “We will start offering new financial services to our clients.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We will be offering more electronic services.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We will be offering our counselling services to clients of other nonprofit organizations through new partnerships and relationships. We are looking for new grants and funding.” - Health Care & Social Assistance
- ▶ “We are converting all of our resources from paper to electronic form. Our products and services will be available to assist more people. We are able to reach a broader clientele through our website.” - Health Care & Social Assistance
- ▶ “There will be more focus on bringing in new clients through advertising.” - Health Care & Social Assistance

- ▶ “We will try to increase maintenance and upgrading sides of the business, as demand for new and experimental builds has slowed down.” - Manufacturing
- ▶ “We will look at how to bring in different types of customers.” - Mining & Oil & Gas
- ▶ “We are hoping to expand more into catering because there is demand for those products and services.” - Other
- ▶ “We will focus more on international project opportunities.” - Professional, Scientific & Technical Services
- ▶ “We are offering more flight training operations.” - Transportation & Warehousing
- ▶ “We are strengthening our online sales through our website.” - Wholesale & Retail Trade
- ▶ “We will all do what we can to bring in more business. We are targeting different clients besides our usual corporate oil and gas clients.” - Wholesale & Retail Trade

## Hiring, Refocusing and Training

### Large-Sized Employers (Q1 2016)

- ▶ “We expect to refocus about 200 employees.” - Health Care & Social Assistance
- ▶ “Everyone is working five different jobs now it seems. We applied for the Canada-Alberta Job Grant, so there's some serious training deficiencies that need to be addressed before moving people around within the company. We also have our continuous improvement activities to worry about.” - Manufacturing
- ▶ “We will very definitely be looking at expanding the existing roles of our staff and we may require training to do that.” - Other
- ▶ “Yes, but it will be internal training.” - Other
- ▶ “Yes, some training will be involved. We're not sure how many people will be refocused.” - Wholesale & Retail Trade

### Medium-Sized Employers (Q2 2016)

- ▶ “We just got a brand new program that requires hiring 10 new people.” - Health Care & Social Assistance
- ▶ “We've just got newly funded positions for the next 11 months. We were able to hire two new positions from additional funding from government. We have also hired for a new position for a wrap around facilitator that's helping diversify our counseling department.” - Health Care & Social Assistance
- ▶ “We are hiring people into other company locations, mainly the ones up north.” - Mining & Oil & Gas
- ▶ “Yes we will be hiring, but that will occur outside of Alberta.” - Professional, Scientific & Technical Services
- ▶ “We acquired a new office in Iowa, so that is where the new hires will be.” - Professional, Scientific & Technical Services
- ▶ “We will stay at this level for the next little while, so we will be refocusing existing staff. We are offering more on the job training, as some people are just picking up different aspects of their departments.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “Yes, we will refocus staff a little bit with in house training.” - Construction
- ▶ “We have gone through a little bit of change in terms of refocusing staff. We have gone completely to overnight baking. We used to do some during the day too, but now it's all done during the night. We have tried to shorten that time from oven to person's mouth by about six to seven hours. That has made a big difference.” - Manufacturing
- ▶ “We have added more responsibilities and activities onto the plate of the management team.” - Other

- ▶ “We will be refocusing about 15 per cent of our staff.” - Other
- ▶ “If we can refocus, it will involve all of our permanent staff.” - Professional, Scientific & Technical Services
- ▶ “Eventually yes they will go to new activities. We do a lot of in house training as it is.” - Professional, Scientific & Technical Services

## Small-Sized Employers (Q3 2016)

- ▶ “All of our staff are now being integrated as a subsidiary of the parent company, so everyone is in the process of refocusing.” - Construction
- ▶ “We are hiring a new marketing person and refocusing our other employees a bit.” - Construction
- ▶ “We have hired someone specifically for marketing.” - Construction
- ▶ “We have started focusing on hiring people of different backgrounds. We are looking for people with previous construction knowledge more than we are looking for that property management knowledge.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We will be hiring about 15 investment brokers over the next two years.” - Finance, Insurance, Real Estate & Leasing
- ▶ “It's possible we will hire more addictions counsellors into new roles.” - Health Care & Social Assistance
- ▶ “We will be hiring five operators. Everybody has to be able to work in various roles around the plant.” - Manufacturing
- ▶ “We all will refocus our activities to the products that are more in demand.” - Manufacturing
- ▶ “Yes, we have done a little of refocusing, but for the most part the diversification will be just introducing new product lines and models.” - Manufacturing
- ▶ “We will do a little of both, hiring and refocusing.” - Manufacturing
- ▶ “We are looking to get budget approval to hire on another librarian. Otherwise, we have just been refocusing specific roles with our existing staff.” - Other
- ▶ “Yes, we've been refocusing by moving our staff from permanent to contract employment.” - Professional, Scientific & Technical Services
- ▶ “People will need more training as we start refocusing them because we are offering more new products and services.” - Professional, Scientific & Technical Services
- ▶ “We will be hiring new drivers, but the number depends on how many new customers we can pick up throughout our diversification.” - Transportation & Warehousing
- ▶ “We are looking at employee training and management strategies that will lead towards refocusing of at least two staff.” - Wholesale & Retail Trade

- ▶ “We are making the diversification change using four of our existing internal staff, not new hires.” - Wholesale & Retail Trade

## **Micro-Sized Employers (Q4 2016)**

- ▶ “We will be hiring a marketing manager. We will also be refocusing two of our existing staff members.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “We will be hiring people on a contract basis specifically for new events.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “We will hire new housekeeping and front desk staff as needed. There's always cross-training involved when we refocus staff to new roles.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “We already did the hiring necessary to start diversifying. We still have some refocusing to do though.” - Construction
- ▶ “In March we plan to hire an additional property and leasing agent. We will also look at refocusing.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We will be hiring about three new real estate salespeople.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We will likely hire an additional person for manufacturing. In addition, we will be refocusing six employees.” - Manufacturing
- ▶ “We may be hiring if new projects go forward. We will refocus our own staff as new projects arise.” - Professional, Scientific & Technical Services
- ▶ “We are looking to hire two new aviation trainers.” - Transportation & Warehousing

## No Plan to Diversify

### Large-Sized Employers (Q1 2016)

- ▶ “We are in a position in the community that is fairly solid. There hasn't been any talk of trying to do things differently. The downturn has been discussed but there hasn't been anything followed through on in response to that and no plans have been made. Our general feeling is that we're going to ride the waves out so to speak.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “We're a hotel and restaurant business. We're limited in terms of diversification for that reason.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “The economic downturn doesn't affect our business that much. We are an accounting and tax advisory firm, so people need that work to be done regardless.” - Finance, Insurance, Real Estate & Leasing
- ▶ “I don't know how we could diversify because we just rent cars.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We're in seniors living, so the demand is still there.” - Health Care & Social Assistance
- ▶ “As a non-profit I don't think we can respond proactively the same way as for-profit businesses can because we receive our funding from federal and provincial grants. We will be diversifying to meet the needs of our clients, but demand for our services actually increases during the downturn.” - Health Care & Social Assistance
- ▶ “We have seen our demand increase during the downturn, so we see no need to diversify.” - Health Care & Social Assistance
- ▶ “We've done some diversifying recently in the last 12 months to meet the changing economy. We have resolved the challenges. We have refocused away from some products that may not be suitable for the current economy or for which the demand is going down. I think we have plugged all the holes and are in a good position going forward.” - Manufacturing
- ▶ “We manufacture bagels. We're still manufacturing them and that's what we do. As long as people are eating them, we will be making them.” - Manufacturing
- ▶ “No we're in food processing, so the demand for our products is still there.” - Manufacturing
- ▶ “We're an oil and gas company. We find oil and we find gas. That's what we do. We will not get into other products and we are already in the international markets. There's nothing else we could do to diversify.” - Mining & Oil & Gas
- ▶ “We're a midstream company, so our major business is transportation of oil. We had already secured long-term contracts with oil companies to ship so many barrels per day through our pipelines prior to the downturn. We're not as at risk due to commodity prices as a result.” - Mining & Oil & Gas
- ▶ “Our main operations are in BC and Calgary is just a very small part of the global business, so we don't need to diversify here.” - Mining & Oil & Gas



- ▶ “No because we're an educational facility. Our curriculum is administered by the government regardless of the economic conditions.” - Other
- ▶ “We continue to offer the same products. We're a security company, so we can't diversify too much.” - Other
- ▶ “We are considering putting a diversification plan together. Now, whether that plan will successfully be formulated and implemented remains to be seen.” - Professional, Scientific & Technical Services
- ▶ “I wouldn't say it's planned yet, but it's something we will be looking at over the next year.” - Professional, Scientific & Technical Services
- ▶ “We're quite specialized in what we do, so it's pretty hard to make much changes to that.” - Transportation & Warehousing
- ▶ “No, but I hope we formulate a plan for diversification soon.” - Wholesale & Retail Trade
- ▶ “We're an international company. We ship to international locations, so the downturn in Alberta doesn't really affect us.” - Wholesale & Retail Trade
- ▶ “We sell vehicles. I'd love your suggestion as to what would we diversify to.” - Wholesale & Retail Trade

## Medium-Sized Employers (Q2 2016)

- ▶ “We are a seasonal paving company and that's what we do.” - Construction
- ▶ “We don't have a core competency in anything else, so we can't diversify.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We're ploughing straight ahead with what we're already doing.” - Finance, Insurance, Real Estate & Leasing
- ▶ “We're a disability service provider, so the economic downturn doesn't affect the number of clients.” - Health Care & Social Assistance
- ▶ “We have no diversification plan going forward because the company is closing.” - Mining & Oil & Gas
- ▶ “There's nothing more we can do to diversify because we're already a multidivisional company.” - Other
- ▶ “Nationally they are always looking to expand and diversify, but that would not be related to the economic downturn.” - Other
- ▶ “We have no plan, but we need one.” - Other
- ▶ “We're a national company, so the impacts aren't felt as strongly.” - Professional, Scientific & Technical Services

- ▶ “We have diversified, but not as a result of the downturn. Our work is pretty recession proof.” - Professional, Scientific & Technical Services
- ▶ “We've never been affected by downturns.” - Transportation & Warehousing
- ▶ “Unfortunately, that would be the decision of our parent company.” - Transportation & Warehousing
- ▶ “This is currently a focus of the marketing department and the owners.” - Wholesale & Retail Trade

## Small-Sized Employers (Q3 2016)

- ▶ “Diversification doesn't really apply to us because we're a community curling club. That's all we do and all we can do based on our lease with the City of Calgary.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “We will just continue to do what we do best. I am the owner and I plan to retire in a few years anyway.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “No. We're achieving our goal of maintaining our business by keeping our current clients happy.” - Construction
- ▶ “We have been unable as of yet to get into alternative markets to the current services that we provide.” - Construction
- ▶ “No, but we are looking at putting a plan in place.” - Construction
- ▶ “No, we don't have a business plan to manage through the downturn. We don't need one tailored for that reason. We've been affected positively by the economic downturn.” - Finance, Insurance, Real Estate & Leasing
- ▶ “Not yet, although we do have some ideas we're thinking of putting into place in the next year.” - Health Care & Social Assistance
- ▶ “We're a medical clinic, so the demand is always there.” - Health Care & Social Assistance
- ▶ “We can't increase the number of clients because the government has put a limit on how many we can take. Although the demand is there, we can't diversify to meet those needs.” - Health Care & Social Assistance
- ▶ “We do custom work, so we are already pretty diversified. Our products meet the needs of our customers because they're designed to their specifications.” - Manufacturing
- ▶ “We can't diversify because we don't have the resources to do so. Right now, our cash flow all goes to government.” - Manufacturing
- ▶ “We diversified before the economic downturn.” - Manufacturing
- ▶ “Hopefully we continue to get work coming in. We have five huge jobs coming up. It's getting harder to find clients because people want quotes from various contractors but they don't realize that the quality of our materials is higher which influences our price.” - Manufacturing

- ▶ “We're too small to diversify.” - Mining & Oil & Gas
- ▶ “We're registry specialists, so the services we provide are regulated by governments. There's just not much we could do to diversify.” - Other
- ▶ “The Canadian government is actually our biggest client. The economic downturn hasn't affected our contracts at all.” - Other
- ▶ “We have very specialized work, which makes diversification difficult.” - Other
- ▶ “We have no diversification plan because of what we do. We care for children and families, so there's not a lot of diversification opportunities to incorporate into our business model.” - Other
- ▶ “Our company has been around for over 40 years and I don't think there's a lot we could do to change.” - Professional, Scientific & Technical Services

## Micro-Sized Employers (Q4 2016)

- ▶ “No, because we are doing better than the same time last year.” - Accommodation & Food Services/ Arts & Entertainment
- ▶ “We are diversifying, but not because of the economic downturn. We have and will continue to manage the business in order to accommodate the boom in tourism. Our situation is totally opposite from what other industries are experiencing.” - Accommodation & Food Services/Arts & Entertainment
- ▶ “The owners, and I'm one of them, have had to seek employment outside of the company. We can't generate enough income to pay ourselves even.” - Construction
- ▶ “There's no economic downturn in Banff in our industry.” - Construction
- ▶ “The decrease in demand is due to the federal government changes that are making it harder for our customers to get mortgage loans. There's not something that I can do myself per se to diversify that would increase demand. We can't change the implemented rules that are affecting a lot of our potential clients.” - Finance, Insurance, Real Estate & Leasing
- ▶ “As a disability service provider, demand doesn't decrease due to the economy.” - Health Care & Social Assistance
- ▶ “We are working on a plan right now.” - Manufacturing
- ▶ “What I do is I make name tags for businesses. No one is hiring, so no one needs new name tags.” - Manufacturing
- ▶ “We're in kind of a specified market with specialty products, so it's hard to diversify.” - Manufacturing
- ▶ “No. We're an oil company, so we can't diversify.” - Mining & Oil & Gas

- ▶ “We have started another company, but it is not related to the one I'm responding for now.” - Mining & Oil & Gas
- ▶ “We are currently working on it.” - Mining & Oil & Gas
- ▶ “No because we are considering wrapping things up and closing the company.” - Mining & Oil & Gas
- ▶ “We're a housecleaning company, so I'm not sure what we could do to diversify.” - Other
- ▶ “We are a small nonprofit, so we cannot diversify.” - Other
- ▶ “We have no formal business plan in place, but we are certainly trying to remain in business.” - Professional, Scientific & Technical Services
- ▶ “We're already diversified.” - Professional, Scientific & Technical Services
- ▶ “We do not have a specific plan because our business is so specialized that we cannot really do anything else.” - Professional, Scientific & Technical Services
- ▶ “The company already diversified by moving to a new location and merging with another law firm.” - Professional, Scientific & Technical Services
- ▶ “I'm just one truck driver with a small company of owner-operators, so I can't diversify to fix the situation.” - Transportation & Warehousing
- ▶ “We are a storage facility, so there's not much we can do to diversify. However, my own personal opinion is that people have learned about budgeting during the downturn and many can now fit our services into their budget.” - Transportation & Warehousing
- ▶ “We're connected to house builders, so we can't really diversify.” - Wholesale & Retail Trade

## Appendix C: Employer Survey Occupation Results

Overall, 26 per cent of the employers that have a plan to diversify will likely hire an additional 601 people as a direct result of diversification planning.

Industry	NOC Code	Occupation	Future Positions
Accommodation & Food Services/Arts & Entertainment	1123	Professional occupations in advertising, marketing and public relations	9
	5135	Actors and comedians	5
	5254	Program leaders and instructors in recreation, sport and fitness	5
	6322	Cooks	5
	6513	Food and beverage servers	5
	6731	Light duty cleaners	2
	124	Sales, marketing and advertising managers	1
	6411	Sales representatives - wholesale trade (non-technical)	1
	6525	Hotel front desk clerks	1
		Not specified	1
<b>Subtotal</b>			<b>35</b>
Construction	9619	Other labourers in processing, manufacturing and utilities	17
	7611	Construction trades helpers and labourers	6
	711	Construction managers	4
	912	Utilities managers	3
	6411	Sales representatives - wholesale trade (non-technical)	3
	1123	Professional occupations in advertising, marketing and public relations	2
	2131	Civil engineers	1
	Not specified	2	
<b>Subtotal</b>			<b>38</b>
Finance, Insurance, Real Estate & Leasing	1113	Securities agents, investment dealers and brokers	17
	6232	Real estate agents and salespersons	4
	1224	Property administrators	3
	1112	Financial and investment analysts	1
	1221	Administrative officers	1
	6231	Insurance agents and brokers	1
	Not specified	1	
<b>Subtotal</b>			<b>28</b>
Health Care & Social Assistance	4212	Community and social service workers	72
	4412	Home support workers, housekeepers and related occupations	30
	4156	Employment counsellors	10
	4165	Health policy researchers, consultants and program officers	10
	4153	Family, marriage and other related counsellors	4
	3413	Nurse aides, orderlies and patient service associates	2
	1123	Professional occupations in advertising, marketing and public relations	1
<b>Subtotal</b>			<b>129</b>
Manufacturing	9612	Labourers in metal fabrication	53
	9523	Electronics assemblers, fabricators, inspectors and testers	20
	7381	Printing press operators	12
	9461	Process control and machine operators, food and beverage processing	5
	6421	Retail salespersons	3
	9617	Labourers in food, beverage and tobacco processing	2
	9619	Other labourers in processing, manufacturing and utilities	2
	6211	Retail sales supervisors	1
	6332	Bakers	1
	Not specified	1	
<b>Subtotal</b>			<b>100</b>

# BUSINESS DIVERSIFICATION

Industry	NOC Code Occupation	Future Positions	
Mining & Oil & Gas	1111 Financial auditors and accountants	50	
	1122 Professional occupations in business services to management	3	
	912 Utilities managers	1	
	2131 Civil engineers	1	
	4161 Natural & applied science policy researchers, consultants & program officers	1	
	Not specified	1	
<b>Subtotal</b>		<b>57</b>	
Other	4011 University professors	25	
	1451 Library clerks	20	
	5111 Librarians	11	
	4214 Early childhood educators and assistants	10	
	6552 Customer service, information and related clerks	10	
	6562 Estheticians, electrologists and related occupations	10	
	114 Other administrative services managers	4	
	4212 Community and social service workers	3	
	1224 Property administrators	1	
	1226 Conference and event planners	1	
	6711 Food counter attendants, kitchen helpers and related occupations	1	
		Not specified	1
	<b>Subtotal</b>		<b>97</b>
Professional, Scientific & Technical Services	4112 Lawyers and Quebec notaries	15	
	124 Sales, marketing and advertising managers	6	
	2112 Chemists	6	
	2131 Civil engineers	3	
	211 Engineering managers	2	
	1111 Financial auditors and accountants	2	
	2171 Information systems analysts and consultants	2	
	2173 Software engineers and designers	2	
	1121 Specialists in human resources	1	
	2146 Aerospace engineers	1	
	2151 Architects	1	
	2261 Non-destructive testers and inspectors	1	
	4169 Other professional occupations in social science, n.e.c.	1	
	7512 Bus drivers, subway operators and other transit operators	1	
	Not specified	1	
<b>Subtotal</b>		<b>45</b>	
Transportation & Warehousing	7511 Truck drivers	27	
	7321 Automotive service technicians, truck & bus mechanics & mechanical repairers	6	
	1241 Secretaries (except legal and medical)	5	
	2271 Air pilots, flight engineers and flying instructors	5	
	6221 Technical sales specialists - wholesale trade	2	
	7514 Delivery and courier service drivers	1	
	7622 Railway and motor transport labourers	1	
		Not specified	2
<b>Subtotal</b>		<b>49</b>	
Wholesale & Retail Trade	6421 Retail salespersons	11	
	6221 Technical sales specialists - wholesale trade	3	
	621 Retail and wholesale trade managers	2	
	6411 Sales representatives - wholesale trade (non-technical)	2	
		Not specified	5
<b>Subtotal</b>		<b>23</b>	
<b>Grand Total</b>		<b>601</b>	