

Miramichi Business E-Newsletter

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Economic Outlook for 2010

The past year has been one of volatility and challenge. Equity markets saw one of their largest sell-offs in history over the 6 month period in late 2008, early 2009. Equity markets usually rebound 6 months in advance of a turning economy and did so quite abruptly in March/April 2009. The price of Gold has held well over 1000\$ and oil has made a comeback to the 80\$ range. What does this all mean for 2010, 2011?

The good news: there is evidence confidence in the recovery is growing although the expectation is for a gradual recovery. Forty percent of Canadian firms recently surveyed by the Bank of Canada expect to be increasing employment in the next twelve months. Although that does not seem high by historical standards, the number was almost zero in late 2008, early 2009.

According to that same survey by the Bank of Canada, firms are expecting both input and output prices to grow at a faster rate in the coming 12 months. That implies the price for raw materials (commodities such as metals, wood) should start to move up over the next 12 months, benefiting companies in these sectors. The firms were especially concerned on the potential increase in commodity prices, something that would be a benefit to the mining companies in the province as well as tax revenue for the Province. The firms also indicated an expectation in increased purchasing of equipment.

Another important factor in a turn-around economy is access to credit. Firms are now seeing credit conditions starting to loosen meaning the opportunity to go forward with plans or expansions are improving. This will lead to more economic activity and employment as well.

Interest Rates: Are almost no-existent. The real Federal Funds rates went negative early in 2008 and has stayed that way until the present time. The Bank of Canada overnight rates have been cut from 3% in July 2008 to a current rate of 0.25%. As the economy starts to improve, and the threat of inflation creeps in, rates will start to rise. The stimulus packages governments all around the world have implemented are starting to work their way through the economy, leading to increased activity.



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What does this all mean for the Miramichi and Provincial economies?

Forest products: Housing starts in the US are still lagging in the annual rate of 600,000 compared to 1.2-1.5 million starts in more prosperous times. Due to that, lumber curtailment and OSB/Plywood construction have slowed considerably over the last 3 years. The average home contains about 10 000 board feet of lumber and 5 000 square feet of panels (OSB or plywood). This implies about 6 billion board feet of lumber is not being produced in this recession just for housing starts (i.e not including commercial, home improvement or the myriad of uses for lumber). Canadian production in 2008 was about 24 billion bd ft to put that in perspective.

Oil: Oil works 2 ways for an economy like ours. As the price of Oil increases, activity increases in Western Canada and the opportunity for local firms to win work there increases. An increasing price of Oil also leads to the desire for more citizens to use green or renewable energy. With the eventuality of a solar plant on the Miramichi, that bodes well for our local economy.

And the risk: there are risks to this recovery. Equity Analysts I follow seem consistent in the belief the stock markets will do fine for the 1st 6 months of the year, followed by a decline in the last 6 months. The magnitude of decline will be contingent upon a number of factors such as how much increased activity is occurring, interest rates/inflation and economic outlook.

The overall take on this is the recovery, albeit fragile, is proceeding and should lead to improved employment and conditions over the next 12-24 months. With low interest rates and an improving economy, now is the time to be positioning your firm for expansion or even thinking about a new start-up.



CBDC Women in Business Initiative

The Community Business Development Corporation (CBDC) Northumberland is a non-profit, non-governmental organization which focuses on maintaining employment and fostering entrepreneurial growth in Northumberland County. It is one of ten CBDC's in the province, supporting all of rural New Brunswick. Available CBDC programs include the *Business Loan Program*, the *Seed Capital Connexion Loan*, *Women in Business*, the *Self-Employment Benefit Loan* and *Business Counseling*.

Through these programs, CBDC provide loans and counseling to their clients. Each program has its own restrictions and list of criteria for eligibility. This article will focus on the Women in Business Program, however if you would like informa-

tion on any of the other CBDC programs, please look to the end of this article for the contact information of Greg McNulty.

Women in Business Initiative

The NB Association of CBDCs offers services to women entrepreneurs through the Women in Business Initiative (WBI) program. One-on-one support is provided to women living in both rural and urban areas. The WBI program ensures that women business owners have the products and services they need to move their business forward. Women business owners are assisted to access expert business advice, information, mentorship and support; acquire information on financing; identify ways to enhance their innovation and export capacity as well as obtain

training, professional development and networking opportunities

For more information on the CBDC Women in Business Initiative program, or any of the CBDC programs mentioned, please contact Greg McNulty, CBDC Northumberland Inc. General Manager, at greg.mculty@cbdc.ca or by phone at 778-2121.

Business Development Bank of Canada (BDC)



At the Business Development Bank of Canada (BDC), we design financing and consulting solutions with the goal of helping entrepreneurs succeed. For this reason, we'd like to share some of our business solutions which have served Canadian entrepreneurs for over 65 years.

BDC offers flexible solutions with a high percentage of financing in order to help protect your cash flow. We provide entrepreneurs from all across Canada with the financing they need for a variety of projects:

Land and building purchases: Term loans that can be repaid over a period of up to 30 years and the possibility of deferring principal payments for up to 36 months at loan authorization.

Equipment purchases: Financing of up to 100% that can be repaid over a period of up to 12 years with additional working capital to cover installation, transportation and training costs. Possibility of deferring principal payments for up to 24 months at loan authorization.

Working capital: Financing that can be repaid over a period of 8 years to acquire a business, develop new markets, launch new products, etc.

Furthermore, our network of experienced consultants can provide you with the know-how to improve various areas of your business:

- Business diagnostics to uncover opportunities for improvement
- Financial management to improve profitability, value and produce measurable results
- Operations efficiency to boost productivity
- Assistance to achieve ISO, HACCP and workplace health and safety certification
- Marketing and sales strategies to increase revenues
- Strategic planning to map out your company's future
- Human resources management to improve recruitment and staff management
- Innovation planning and R&D tax credit claims to reap the benefits of innovation
- Transition planning and exit strategies to prepare for the future

What sets us apart?

Statistics Canada conducted a study whose findings showed that BDC clients using financing and consulting services had up to **59% higher revenue growth than non-BDC clients***. These results stem from our dedication to building strong client relationships, and finding a way to make our solutions work for you.

For a better look at what BDC can offer, visit us at www.bdc.ca and take advantage of some of our free business tools:

- Business plan templates
- Ratio calculators
- E-Business Diagnostic tools
- Dozens of free whitepapers
- Ask-a-professional program (http://www.bdc.ca/en/business_tools/ask_professionnal)

Or sign up to our Profit\$ and eProfit\$ newsletters to access useful articles, success stories, and the latest news on BDC and its clients.

At BDC, we put Entrepreneurs first.

*Study available at www.bdc.ca/smeresearch

Employment for more than 50 Individuals

Full time permanent employment for more than fifty individuals can be credited to the introduction of an employer-welcomed project, *New Start 55+* (an older workers initiative) delivered through Enterprise Miramichi since August 2008.

The *New Start 55+* is a federal-provincial cost-shared employment program created to provide a range of employment activities for older workers who live in vulnerable communities and who have lost their jobs. The *New Start 55+* Project has been successful in assisting older workers find ways to shift the emphasis away from aging and job loss toward their ability to make a tangible contribution in the workforce. For many, their age, job loss and hourly wage decrease is seen as less relevant when they are perceived as a valuable team member of a business or organization.

Participants in the *New Start 55+* Project begin their transition with a six week Essential Skills Training component ranging from Literacy, Numeracy, Communication, Team Building, First-Aid, CPR, Basic Computer Skills and much more.

Employers and scholars are not surprised by the level of comprehension of this group and how the many years of “just living life” has made them top grade students. Specific, specialized training for successful integration into new employment is offered to various employers based on agreed-upon skills up-grading for sustainable long term employment.

Employers in our region are required to keep up with the fast-paced knowledge of new technologies causing changes in hiring techniques just to keep up with times. However, many companies have made a commitment to be part of this initiative acknowledging the value of Miramichi’s experienced and dedicated workers.



Kim Drisdelle, Coordinator of New Start 55+ at Enterprise Miramichi

At a time when the Miramichi region is facing labor shortages, the experience of workers 55 and over should not and cannot be overlooked. With some active support and practical help, these workers will continue to make an important contribution to our communities.

Thank you to all employers of our community who have participated in *New Start 55+* for trusting in the abilities of our older workers.

The *New Start 55+* Project is searching for new employers to explore the interesting avenue this initiative offers to the workplace. If you are an employer with employment needs, please consider an experienced, dedicated and mature worker.

This project offers 70% of wage reimbursement and 70% of reimbursements for employment deduction cost.

For more information on this initiative, please contact Kim Drisdelle at 622-5259 or kim.drisdelle@ent-miramichi.ca

Financial Dashboards for Businesses

The importance of a dashboard is understood by everyone who operates a vehicle. Imagine driving a car without a speedometer and no indication of how fast the car is traveling. Would you get very far before cars behind you began honking in frustration for holding up traffic or before the police issued a ticket for speeding? What if the car has no gas gauge? How would you know the amount of gas in the tank or how far you could travel before needing more gas? What if there are no warning lights reminding you to be safe, fasten the seatbelt or indicate there are problems with the braking system or engine. The potential for a serious accident is huge if the brakes or engine suddenly give out with no prior warning of a problem.

Driving a car under these conditions would not be very enjoyable and would take a lot of extra effort. There would be constant distractions away from minding the rules of the road, being alert to your surroundings and the route to your destination. A dashboard enables you to get in the driver seat car and embark on a journey with only occasional glances to be sure that everything is in order, and if things go wrong, you are able to know quickly and take the required action.

Think of your business as the vehicle you are driving. Are there any indicators, bells, whistles or warning lights providing information at a glance and at any given moment that your inventory is seriously low on an item?



Kelly Sherrard, SME Diversification Initiative Coordinator at Enterprise Miramichi

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What if a rush manufacturing order is received but stock is unknowingly depleted on an essential part? Cash flow is limited and you are unable to purchase the part. Suddenly the rush order is not getting done and your customer is not pleased. Not having the item completed on time causes delays to the customer and affects the whole chain of supply. Maybe orders were slow last month and revenue was down so the parts order was not completed as planned. Will your customer return after receiving unsatisfactory service?— hopefully but maybe not!

A business financial dashboard provides information at a glance and in real time about the current situation of a business; how fast revenue is coming in or expenses are going out, are inventory and productivity where they need to be? Information is presented in easy to understand images that quickly indicate performance. The dashboard also provides a tool for forecasting future scenarios. The information is readily available and accessible. A simple data entry can indicate the impact of changes in price or other variables. A quick glance at the financial dashboard confirms that your business vehicle is traveling in the right direction, at the right speed with enough gas to get you there. Everything is running smoothly and you as the business owner are able to spend more time and effort growing your business.

If you are interested in more information about financial dashboards, contact Kelly Sherrard at Enterprise Miramichi 622-5266.

Try Motivation on for Size



RÉSEAU DE SANTÉ

Horizon
HEALTH NETWORK

The holidays are over and the words “getting healthy” are back on people’s lips and minds. But, it’s also very cold outside. How can we motivate ourselves to live a healthier lifestyle during winter?

Renee Frenette is the coordinator of the Mango program of Horizon Health Network-Miramichi. The Mango team is often asked what suggestions they would give for winter motivation.

“Find a partner – they will provide support and will make it more enjoyable to exercise,” says Frenette, adding that two is better than one. She also suggests joining a team or a program such as boot camp, an aerobics class or any other fun activity available in the region.

Behavior changes at any time of year are challenging, but in the winter, there are obstacles that will sometimes make normal challenges more difficult.

“To be motivated, you need reasons that are personal and meaningful.”

Health psychologist and behavior change expert, Dr. Michael Vallis, was in Miramichi in May 2009 speaking at a public wellness event. He told the crowd of approximately 300 people that 80 % of the Home Shopping Network’s annual treadmill sales happen in January; and by June, only 15% are actually being used. He explains that people’s motivation for purchasing treadmills is the guilt and shame they feel for overindulging during the holidays, but by June, they see a difference in their body image, start to feel good and lose their motivation for continuing.

Enterprise Miramichi is one of 15 regional Enterprise agencies throughout the province.

Our role is to develop and implement the regional economic development plan and to work directly with local businesses to stimulate growth and prosperity in the region.

Our goal is sustainable community economic development.

We focus on innovation, productivity and export to achieve global competitiveness.

The strategy to achieve our goal consists of:

- Workforce development
- Business development and expansion
- Investment and relocation strategies
- Strategic community partnership

For more information on Enterprise Miramichi’s programs and activities, please contact us at:

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Behavior change, whether in January or another time of the year, means shaping your behavior and making the changes doable, starting small and identifying what needs to be changed and start to build on them, one at a time.

Frenette would agree with Dr. Vallis. “A positive motivation to exercise is setting realistic goals. For example, ‘I will walk 20 minutes three days a week in the winter months.’” When the goal is accomplished, it’s time to reward yourself. “If money is your motivator, put a dollar in a jar every time you do any kind of physical activity. At the end, this could go towards a massage, a trip, or some shopping.”

There are many winter activities that could be beneficial for a healthy lifestyle and could bring the family closer together. These activities could include skating, cross country skiing, building a snowman, sliding, playing volleyball, playing basketball, swimming, bowling, walking in nature, doing water aerobics at a local pool or playing sports.

“Small things can be changed in your daily routine that could add more exercise to your day. Things like taking the stairs instead of the elevator and parking your car further from the door at work.”

Coupled with the motivation to exercise, a healthier lifestyle also means eating balanced meals everyday. The key element is to moderate your portions and include each food group in every meal.

“This combination of physical activity and healthy eating will get you on the road to a healthier you.”



Clarissa Harris
Health Promotion and Communication Specialist
Horizon Health Network - Miramichi

Kicking Off 2010 in Style!



Nadine Duguay, Women in Business/ Young Entrepreneurs Development Officer of the NB Association of CBDC

On the Women in business corner :

As usual, we are planning lots of events for the hard working women business owners as well as our female professionals of the area. In the short term (next quarter), we are looking at delivering the following events to you to help you further and expand your networks and give you tools to improve yourself:

February 4th: **Networking session at the Atlantic Salmon Museum in Doaktown** with a special demo from Savonnerie Olivier Soapery. Details to be provided soon

March 8th: Once again, we want to celebrate **International Women’s Day** by empowering and inspiring you over a **supper-conference at the Rodd**, starting at 6:00 pm. Over supper, we will inspire you with words of wisdom and empowerment from keynote speaker Rebecca Campbell and provide you with insight on interpersonal relationships with a short training session from André Laplante. This will be punctuated with songs performances by local women as well as a special performance by the NB ReBELLES Feminist Gumboot Troupe. Tickets will be available soon and we encourage each attendee to bring a young woman to the event (daughter, niece, neighbor, cousin, etc.)

For the young entrepreneurs & professionals:

January 28th: **Networking session at Pizza Delight Chatham**; a portion of the proceeds from the evening will be awarded to the Breakfast program; owner-operators, Brian and Genevieve Geneau, will be matching the contribution.

February 18th: **MYPIE in Motion**; Join Paula Morand for an interactive dinner as she dares you to be different in the way you work and live. Set yourself in motion and make 2010 one to remember.

March 19th: **Wine tasting event** (networking session) at Flo’s Hide-a-way.

April 17th: **the 2nd annual edition of our MYPIE Gala 2010!** Mark the date in your calendars- details to follow about this year’s nominations and awards. (See advertisement to follow!)



MYPIE
Gala
2010

Saturday April 17th, 2010

MYPIE

Miramichi Young Professionals
and Involved Entrepreneurs

Details will be coming soon...