

# **Southeast Rural Outreach Programs and Education Business Survey**

Prepared by  
Virgene Hanna and Ann Marbourg

Prepared for  
Alaska Small Business Development Center

June 2008

Institute of Social and Economic Research  
University of Alaska Anchorage  
3211 Providence Drive  
Anchorage, Alaska 99508

## **ROPE Survey of Businesses**

The Rural Outreach Programs and Education (ROPE) is designed to strengthen community and small business competitiveness. It is a multi-pronged business development effort to support economic stability and capacity-building in Southeast Alaska. The program will bring together different entities across the state in a collaborative effort, so the program recipients will have increased levels of technical assistance, training, and communication.

One component in this process was to conduct a phone survey of businesses in Southeast Alaska. The survey was designed to determine the specific training and assistance needs of participating communities in Southeast Alaska. By focusing on 13 specific communities and gathering extensive information on each one, ROPE will offer targeted training and workshops, one-on-one confidential counseling, need-specific consultants and seminars, and business training. In May and June of 2008, 128 structured interviews were completed in the 13 communities. The majority of these interviews—88—were with businesses in the private sector, and the remaining 40 were with non-profit, tribal, or municipal organizations.

Businesses were asked detailed questions about employees, customers, business expenses, and start-up costs and experiences. The questionnaire was designed to gather information about where employees were from, where customers were from, and the percentage of sales that were to local versus non-local customers. Both businesses and organizations were asked about training they felt would be beneficial and to offer advice to organizations trying to help businesses in Southeast.

### **Background**

Workshops or community meetings were held in the majority of the ROPE communities. Prior to the meeting, the ROPE coordinator made contact within each of the communities to arrange for meeting space and to tell people about the ROPE program. People who attended the meetings and workshops and spoke with the coordinator learned more about ROPE, and, if they wished to, they provided their names and contact information. The names and contact information became the basis for contacting businesses. Names were added to this list for participants at the meetings and as survey respondents provided names of other people they felt should be contacted<sup>1</sup>.

Before working on the project, interviewers completed a course on the protection of human subjects in research to make clear their responsibilities to participants in this project. They also read, discussed, and signed ISER's pledge of confidentiality, assuring that they would not reveal the contents of an interview other than to project staff. The interviewers then completed training using the ROPE questionnaire. After interviewers had sufficient training and practice with the questionnaire, they were assigned individuals

---

<sup>1</sup> The method of developing the list of potential participants (sample frame) for this study does not allow us to estimate the probability of an individual or business being selected. Thus, we have no way of estimating how representative our data are of businesses or communities.

to call and complete an interview. Once an interviewer had reached the desired business or organization, the interviewer asked to speak with the person who was most knowledgeable about the enterprise. The interview was then completed with the most knowledgeable person. When the interview was finished, the interviewer reviewed it for completeness, accuracy, and legibility before giving it to the supervisor. All interviews were conducted by phone from University of Alaska Anchorage offices. The responses to the questions were entered into SPSSx, software designed specifically to analyze survey data.

## Results

The findings from the survey provided insight into the experiences, perceptions, and needs of Southeast residents who are owners or operators of a variety of businesses.

### Background on Businesses

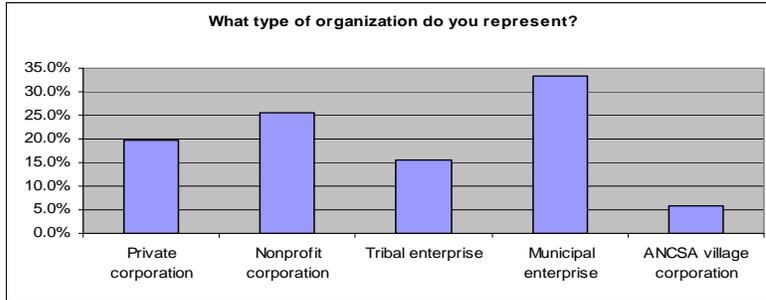
This first section provides background on the participants' businesses. The questionnaire asked what sort of goods or services the business makes, sells, or offers. The responses were coded using the North American Industry Classification System (Figure 1). The largest sector interviewed was retail (18%), followed closely by businesses that offered accommodations and food services (17%). Public administration (13%); manufacturing (11%); administrative and support and waste management and remediation services (7%); and professional, scientific, and technical services (7%--mostly in the tourism industry) were also represented.

Participants from organizations were asked to describe the type of organization they represented (Figure 2). They included tribal (15.7%), municipal (33.3%), nonprofit (25.5%), ANCSA (5.9%), and private organizations (19.6%).

Figure 1: Industry Classification

NAICS	Classification	Percentage
11	Agriculture, forestry, fishing, and hunting	2%
22	Utilities	1%
23	Construction	2%
31	Manufacturing	11%
45	Retail trade	18%
48	Transportation and warehousing	2%
51	Information	3%
53	Real estate and renting and leasing	4%
54	Professional, scientific, and technical services	7%
56	Administrative and support and waste management and remediation services	7%
61	Educational services	2%
62	Health care and social assistance	6%
71	Arts, entertainment, and recreation	3%
72	Accommodations and food services	17%
81	Other services	3%
92	Public administration	13%

Figure 2: Organization type

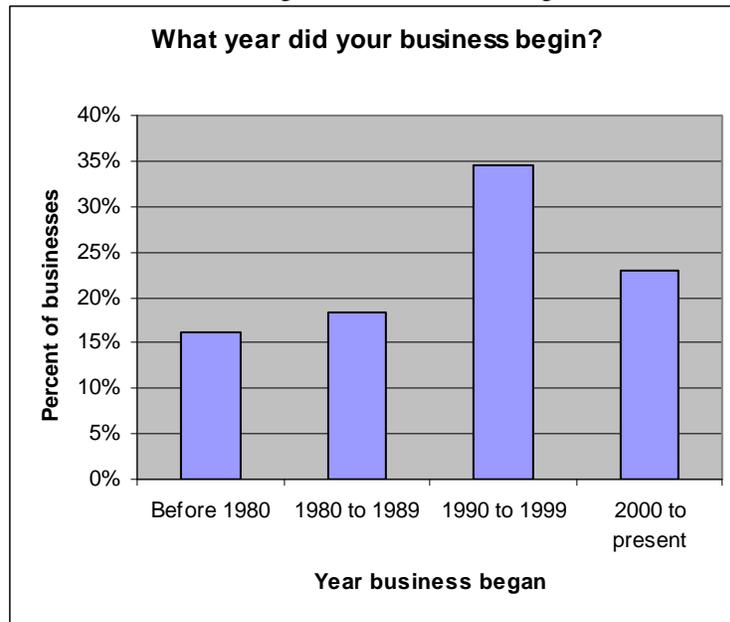


The interviewer also asked whether the business or organization had received training recently. More organizations (46%) reported receiving training than did businesses (22%).

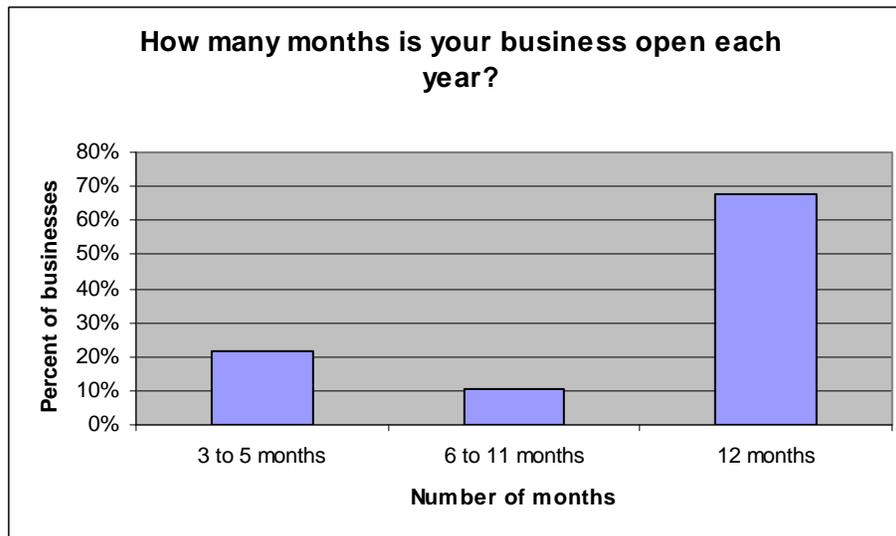
The remainder of this section contains information solely on the 88 private-sector businesses; remember that not all 88 businesses answered every question.

Figure 3 shows that some of the respondents to this survey represented long-established businesses. The number of businesses started in the 1990s, equals the number of all businesses established previously. And about two-thirds of the businesses had been started in the last two decades. All but two of the businesses had operated

Figure 3: Year business began



continuously since they began.



The interview also asked how many months per year they were open. Two main patterns of operation are seen in the chart to the right: seasonal

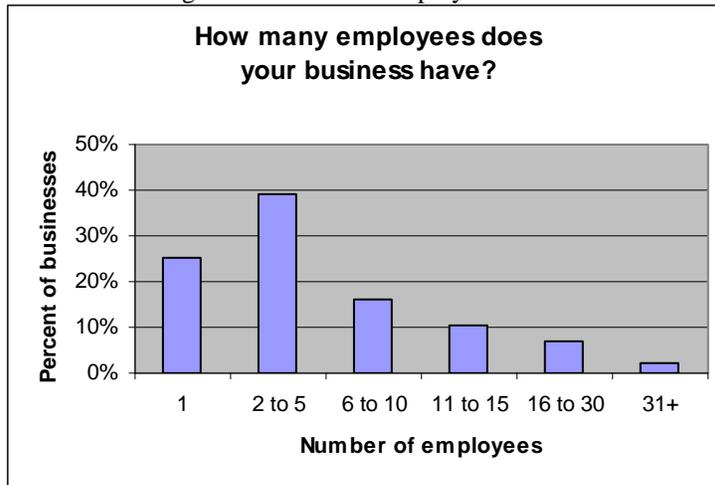
Figure 4: Months of operation

and year-round businesses. In Figure 4, it is clear that most businesses operate year-round (68%) or during the summer season (22%), and few are open in between (10%). The data also show that while some businesses are open less than twelve months, they may have employees working the full year.

### Employees

As is true for Alaska overall, the majority of businesses in this survey are considered small businesses—having fewer than 50 employees (Figure 5). Twenty-two, or 25% of the participating businesses, are a one-person operation. Thirty-four employers, or 39%, had between two and five employees; 16% had six to ten employees; 10% had between 11 and 15; 8% reported 16 to 30; and 2% had more than 31 employees.

Figure 5: Number of employees



Employers were asked, “Including you, how many different people worked for your business last year?” Their responses totaled 843 employees. While this is a substantial number, it doesn’t reflect the duration of employment or the number of unique individuals. They were also asked to provide the number of unique positions in their business. Respondents were read this

description, “So, for example, if Bob worked for you for one month, and then left to go fishing, and you hired John to replace him for 3 months, that would be one job that lasted for 4 months.” The responses to that question yielded 366 positions.

Businesses were asked what percent of their payroll went to employees who lived in their community, Southeast Alaska, and other places. Figure 6 shows the average amount businesses pay to each region. Businesses paid an average of 82%

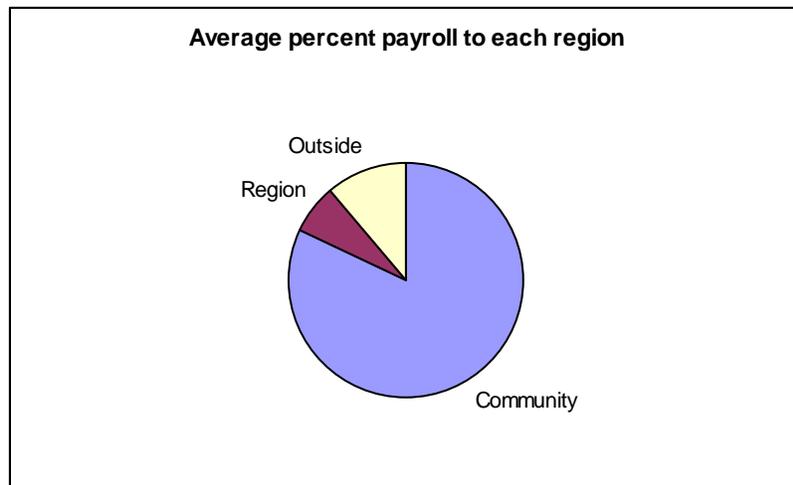


Figure 6: Average percent payroll to each region. Businesses paid an average of 82% of their payroll to people who lived in their community, 7% to people who lived in Southeast, and 11% to people who lived outside.

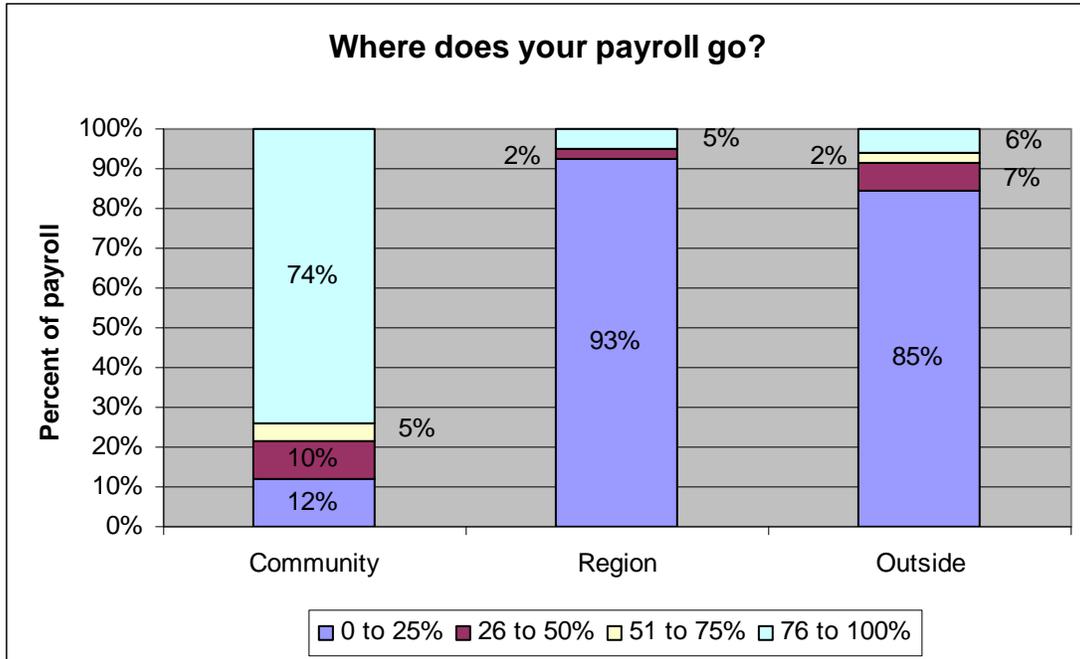


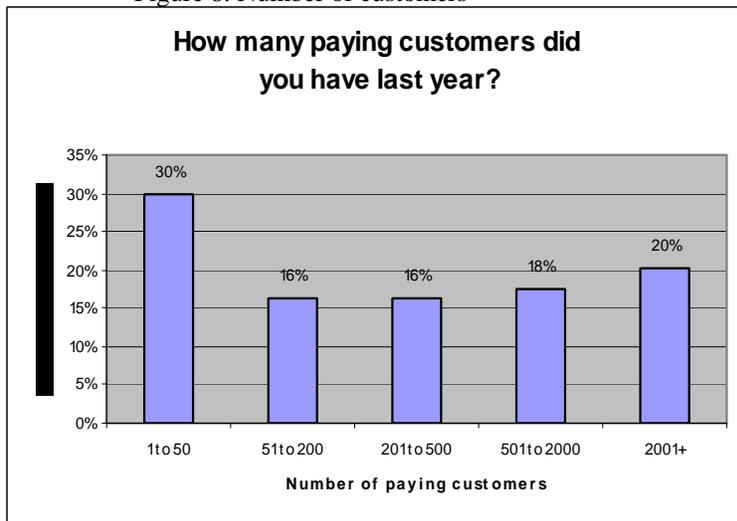
Figure 7: Payroll destination

Figure 7 gives a more detailed breakdown of where payroll goes than figure 6 does. The majority of businesses (73.8%) paid 76% to 100% of their payroll to employees residing in that community, and 92.6% and 84.5% of businesses paid up to 25% of their payroll to employees who lived in Southeast and other areas, respectively. Only 2% of employers stated that none of their payroll was paid to local residents.

### Customers and Sales

Respondents weren't asked to report the dollar amounts of their sales, but were asked to provide an estimate of the number of customers they had the previous year (Figure 8). They were also asked to estimate what proportion of their customers came from one of four different areas: their community, Southeast Alaska, other parts of Alaska, and out of state. Additionally, they were

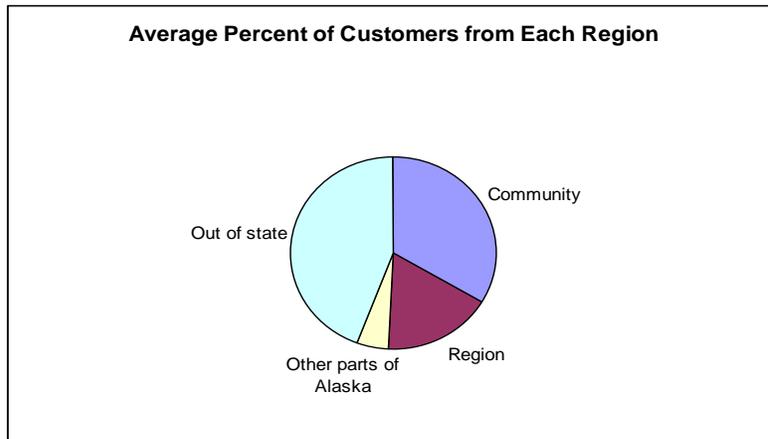
Figure 8: Number of customers



asked to estimate what percent of their sales came from those four areas. Usually the percent of customers and the percent of sales were the same, but there were some slight differences. As an example, a store may sell inexpensive items to numerous local residents, and it might also sell a few expensive pieces over the internet. Thus, this

business would have a high percentage of local customers and a low percentage of local sales. It is difficult for some businesses (especially restaurants and general stores) to estimate their total number of different customers, and to know where they were from, because some reported cruise-ship passengers arrived in large numbers and there was no way of determining the passenger's residence. Eleven businesses each reported having 10,000 or more customers in the past year.

Figure 9: Average customer location



Businesses were asked, "Thinking about where your customers last year came from, about how many of them live in this community, other communities in Southeast, other parts of Alaska, and outside of Alaska?" The average for each region is shown in figure 9. Businesses had an average of 34% of their customers who came

from their local community, 17% from Southeast Alaska, 5% from other parts of the state, and 45% from outside the state.

Figure 10 reflects a more detailed estimate of where businesses believed their customers lived. For example, 51% of businesses replied that none of their customers were from other places in Alaska and that 43% believed that less than one-quarter of their customers were from other places in Alaska. Note that no respondent reported that more than 75% of customers came from other places in Alaska. Over half of the businesses interviewed had 75% or more customers who came from their local community or from outside the state; the former businesses were usually grocery stores, and the latter were tourist-related businesses.

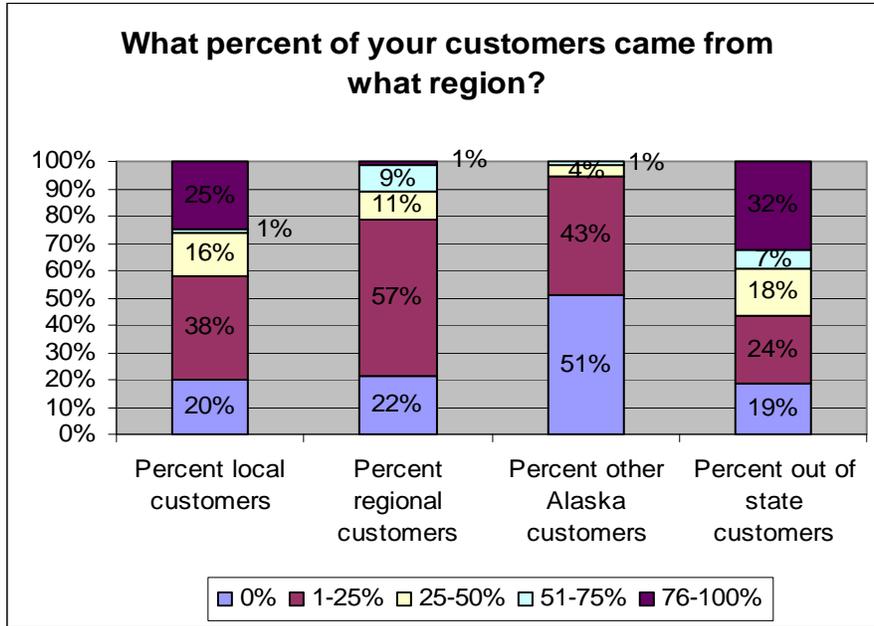


Figure 10: Customer location

Businesses were asked what percent of their sales were made to people from each of the four different regions. Figure 11 shows the average percent of sales for each region. On average, businesses made 32% of their sales to people who lived in their community, 18% to people who lived in their region, 4% to people who lived in other parts of Alaska, and 46% to people who lived out of state.

Figure 12 provides a more detailed view of where a business’s sales came from. In

general, the percentages of sales by customer’s home area were about the same as the percentages of where they thought customer’s homes were, as shown in the above chart, though there were a few slight differences, especially among local and out-of-state visitors. For example, 26% of businesses reported that 76 to 100% of their customers lived in their community, but only 21% of businesses reported 76 to 100% of their sales went to their community.

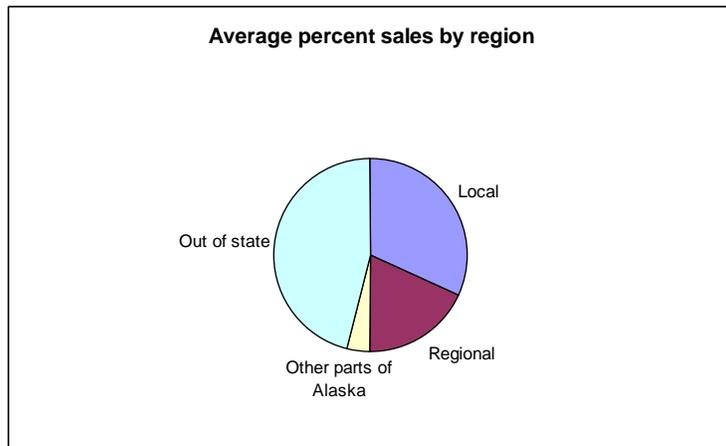


Figure 11: Average percent sales by region

Figure 12: Sales location

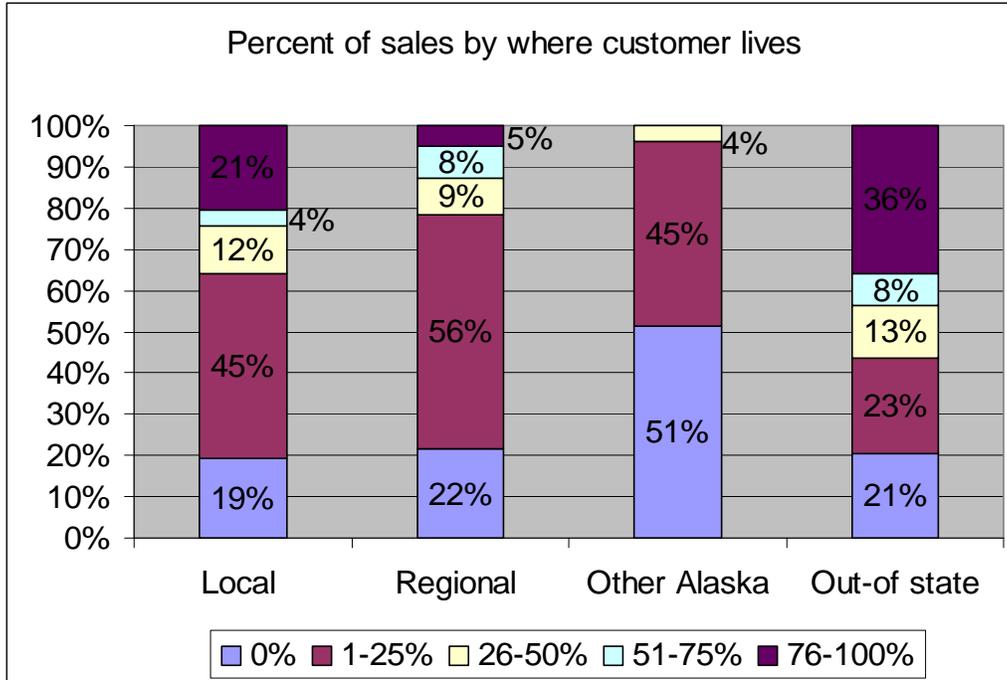
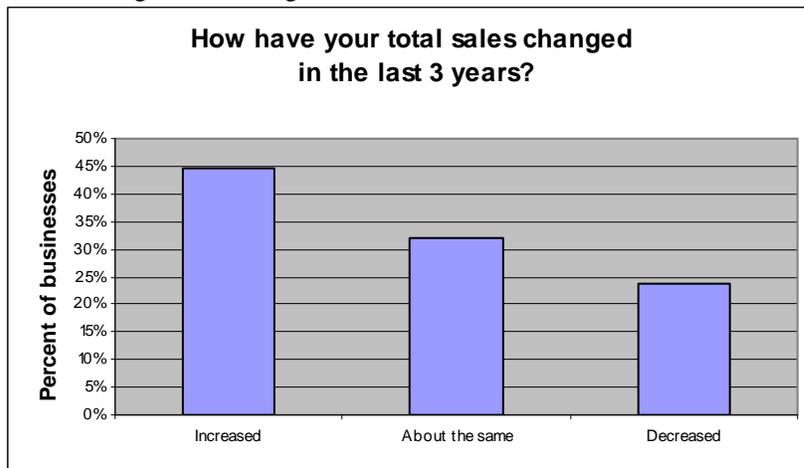


Figure 13: Change in sales



All 72 businesses operating prior to 2005 were asked if their total sales had increased, decreased, or stayed about the same in the past three years (Figure 13). Clearly, most businesses felt that sales had increased over that time period. But the feeling varies

widely among communities, as seen in Figure 14. Two-thirds of respondents in Thorne Bay believed that sales had decreased and, in Kake, respondents were evenly split between the sense that sales had decreased or stayed the same. Pelican was the only community where all respondents reported that sales had increased. Keep in mind that in some of the smaller communities the number of respondents can be low.

Community	Increased	Same	Decreased
Angoon	0%	100%	0%
Craig	50%	13%	38%
Elfin Cove	67%	0%	33%
Gustavus	40%	60%	0%
Kake	0%	50%	50%
Klawock	43%	43%	14%
Pelican	100%	0%	0%
Skagway	70%	20%	10%
Tenakee Springs	0%	100%	0%
Thorne Bay	33%	0%	67%
Wrangell	38%	24%	38%
Yakutat	40%	60%	0%

Figure 14: Sales change by community

Respondents were asked if there were lessons they had learned that might be helpful to others who want to start a business.

A substantial number of respondents spoke about the need to understand bookkeeping, accounting, and knowing the financial status of the business.

### Expenses

We asked participants to identify their first, second, and third biggest expenses, excluding payroll (Figure 15). The chart on the next page shows the percent of businesses responding for each type of expense. Goods, materials, and supplies were the largest expense for many businesses. Electricity, as well, was a large expense; most people interviewed reported that the cost of electricity was one of the biggest challenges of living in Southeast Alaska. Insurance, heating fuel, and mortgage payments were some of the other major expenses they reported.

Respondents were asked if they paid these expenses locally or elsewhere. Many business owners reported trying to pay locally when possible, but they stated that many services, like banking, legal help, and insurance, were not available in their town, and they were forced to go to Juneau. Respondents in several communities, like Yakutat, Elfin Cove, and Gustavus, said that they did not have water and sewer, and they had to rely on their own well or septic tank for water. When asked about supplies, one participant said that, “We only [buy locally] if we have to; it’s very expensive locally.” Another participant expressed frustration with the money spent on basic infrastructure needs: “The state needs to get services in the Bush areas. We’ve tried to get hard phone lines in so we can do away with satellite phones, they won’t do that for us.

We’re left out here to fend for ourselves. If we’re going to grow, we need technology, and we can’t have it because no one is willing to sell it to us. We pay a city tax, but we don’t have any city services here. We have no garbage pickup, no water, electricity, sewer, fuel, etc. We pay for everything we have.”

### Start-up Challenges

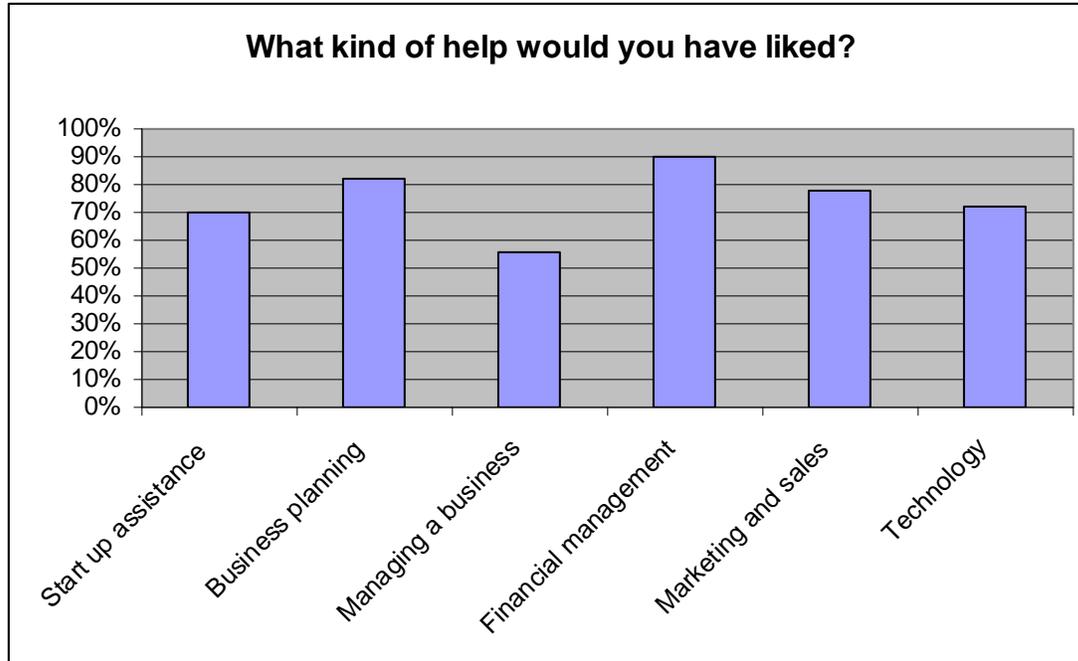
Business owners were asked if they would have liked help when they started their business. The majority (65%) stated that they would have liked help and were then

	Biggest expense	Second biggest	Third biggest
Rent or lease	3%	12%	6%
Mortgage	7%	3%	3%
General utilities	5%	2%	5%
Electricity	13%	11%	12%
Heating fuel	10%	11%	8%
Telephone	0%	3%	3%
General Freight	0%	3%	5%
Air Freight	0%	2%	3%
Barge freight	3%	9%	6%
Parcel post	1%	0%	1%
Goods, materials, and supplies	43%	16%	7%
Machine rental and maintenance	3%	4%	3%
Insurance	9%	12%	6%
Banking	0%	0%	1%
Advertising and marketing	3%	1%	1%
Licenses, permits, or fees	0%	1%	1%
Transporting people	2%	7%	0%
Other expenses	7%	9%	11%

Figure 15: Biggest expenses

asked what sort of help they would have liked (Figure 16). Over half of respondents wished they'd had each type of training. The most wanted was financial management, followed closely by business planning and marketing and sales.

Figure 16: Type of assistance desired



When asked how they paid for their business start-up costs, the majority of respondents (60%) reported using their own personal money. Just over one-quarter (28%) used a bank loan for start-up expenses. Several other methods were mentioned, including credit cards, loans from family and friends, investments, or inheritance, but, for each of these, only one or two businesses used each type.



Figure 17: Business license

The vast majority of businesses (95%) reported having a business license. When asked, most (94%) stated that it was not challenging getting a business license, and most (92%) did not desire any help getting a license (Figure 17). The general consensus among business owners was that it was quite easy to get a license. As one respondent said, “I had my license in my hand in less than 10 minutes.” There was one complaint about the business license process, though: “When you go on the internet to apply for a license, it is

hard to find the right category you need, or just figuring out what category you fit into is difficult; it's not explained well."

When asked to describe the biggest challenges they faced when starting their business, many talked about financing. "I had problems coming up with the money to start the business. I felt that I had potential to build and grow a business, but I had a hard time convincing financial backers to invest. I finally had to mortgage my home to start up the business." "Start-up money and knowing what the laws are for businesses, what requirements need to be met? Basically money and also finding a good location were some of the hardest things to accomplish." Other participants mentioned regulations as well, "Getting up to speed with all the regulations and fees and different things. There should be a way to send out a start-up packet to new business owners with contact numbers to answer questions. It would be helpful if the State of Alaska would provide numbers for various state contacts to help us get information."

There were comments about finding qualified employees, "You can't get people here who are dependable, able to work, able to be trained in this business. No one who goes to school is coming back to (community), Alaska. People here don't really like tourists, so it's hard to ask them to work with tourists. The gifted kids go away to college and don't come back." "Probably hiring new employees was a big challenge."

"The biggest [challenge] was finding clientele and effective marketing. You can't market in the community because that's not who you're going after. I'd like to find ways to market outside the community." "Finding insurance, finding a good sales location and finding customers."

And some respondents were very specific about their biggest challenges, "Figuring out the Quick books computer system." "I had to learn bookkeeping. There were people in town who tutored me."

### **Lessons Learned That Might Help Others Who Want to Start a Business**

Respondents had practical advice for others who wanted to start a business. Numerous respondents commented on the high cost of fuel: "Well, watch fuel costs" and "The fuel is killing us." "Also, start thinking about energy efficiency right away; and by efficiency I mean personal and fuel efficiency."

They emphasized the need for training and obtaining information beforehand. "You need to get to workshops on accounting and bookkeeping. It would be good to have a page of bullets that you can look at to remind you of key places on your financial statements once a month." "You have to have background skills. You have to be disciplined. You have to keep schedules! You have to have reminder lists." "Know where to ask the questions you have. Get your information upfront that you're going to need in-hand before you go and start."

“I have learned a lot of lessons. The best thing to say is that I strongly believe in customer service. You need to greet them with personality and be polite. Employees can be a problem, they need to be able to add, subtract and spell, it has been difficult to get the people who work for me to use proper language and spell.”

Respondents expressed concern that others might not realize how much hard work owning a business entailed. “It takes all your time. You don’t have too much of a social life.” “If you start hiring too many people and start spending too much time at home, you’ll lose customers. You have to be dependable. You’d better be there during the hours you’ve posted.”

There was an emphasis on offering something different that sets your business apart from others. “Have something people want. Make sure there’s a market for it. Have something unique.”

### Current Challenges

Respondents were asked how they advertised their business or attracted more customers. Most reported using several different methods to advertise. Figure 18 shows the percent of businesses using different

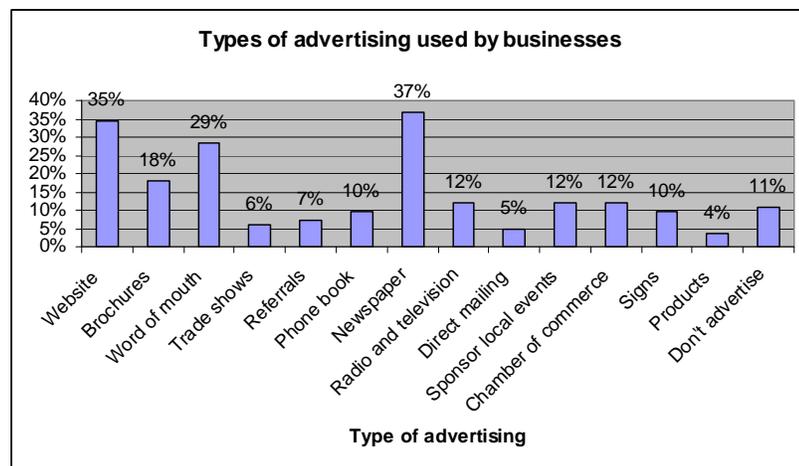
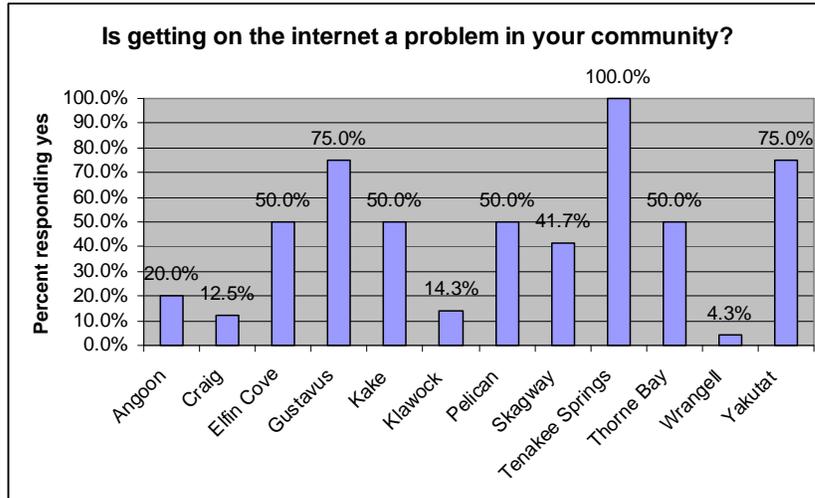


Figure 18: How businesses advertise

methods of advertising. The approach most frequently mentioned was using local newspapers and trade magazines (37%), followed closely by the internet (35%). Twenty-nine percent mentioned using word-of-mouth advertising, although, for most of them, it was used to supplement their other means of advertising. Other methods included: passing out fliers and brochures (18%), sponsoring local events (12%), radio and television advertising (12%), using the local chamber of commerce (12%), being listed in the phone book (9.5%), and posting signs around town (9.5%). Eleven percent of respondents said they did nothing to advertise their business. (Note that, because some businesses used more than one method of advertising, the numbers add up to more than 100%). Some of these businesses reported that they had no need to advertise, as customers sought them out (pull-tabs, tobacco shops, and liquor stores).

For several businesses that were the only one of their kind in the community, little advertising is required. As one respondent summed it up, to advertise “we just turn on our open sign.” As seen by the numbers above, the internet was a very popular way to advertise businesses: “We invested in a domain name; I feel that it has really increased our sales.” “We’re just trying to make it [the business] more noticeable on internet and things.”

Figure 19: Internet problems



When asked, 33% of businesses interviewed reported having trouble connecting to the internet, but this varied widely by community, as shown in Figure 19. For example, residents of Angoon, Craig, Klawock, and Wrangell, for the most part, had very little trouble

connecting to the internet. But the majority of respondents in Gustavus, Tenakee Springs, and Yakutat reported having trouble. Residents of Gustavus had to go to the town library if they wanted to use the internet. One inhabitant of Pelican said, “We only have dial-up, and it’s slow as molasses. You can’t get on, and, when you finally do, it boots you off...The phone company knows the internet is bad, but they won’t fix it, because it costs more to fix than it brings in.” Several people from Skagway said the same thing about their internet connection: “It is expensive and slow.” In Tenakee Springs, residents reported that they had to pay long distance charges to use the internet: “We have to pay the charge for internet but it’s not based in Tenakee, so we have to pay long distance charges to get the internet, and the internet is really slow. I can see the money racking up when we use it. That might change, because we have gotten a grant to get high-speed internet installed here, but that was two years ago.”

When asked about the biggest challenges for their business now, the majority of responses were a combination of controlling costs and personnel: “Health care financing, finding qualified workers, recruitment of professional staff; basically making adequate revenue to meet expenses.” “Just trying to keep expenses down, because fuel costs and insurance are high.” “Getting skilled staff is always an issue. Freight charges are high now. I’m thinking twice about reordering some of my specialty items now because the shipping is so expensive. People here aren’t used to getting service themselves so they don’t know how to give it.” “Personnel – staffing is the biggest ongoing problem we worry about daily. There is also a challenge in paying freight and utilities; the cost of electricity is killing us. It’s also hard to find workers in small towns.” “Making sure we keep up with regulations. The fuel prices are going crazy. We have to pass fuel prices along to the customers. Insurance has been fairly stable, although high.”

Other comments reflected the current economy. “The economy has slowed down and trying to get things sold is harder than in the 80s and 90s.” “Customers are down this year.” “The biggest is the rising fuel costs and the State of Alaska is on a plateau for tourism right now.” “Controlling expenses. Energy costs, like everyone else

experiences. Figuring out how to deal with rising cost of freight and gas without passing it on to customers.”

“Hiring, training, retaining, and attracting employees.” “Probably finding skilled labor to run the cash registers. We’ve got advanced software and need hands-on training for point-of-sale software.” “Ways to prevent burnout. When you’re on duty around the clock, you really burn out pretty easy. And how to manage difficult behaviors.”

**Training Desired**

Figure 20 shows the percentage of respondents wanting each type of training. The respondents are divided into businesses and organizations, because the organizations often represented the whole community and reported which types of training they believed would be most beneficial to everyone, whereas the businesses reported only the trainings they thought would help their business. In all cases, a higher percentage of respondents from organizations, than from businesses, requested each type of training.

The trainings are organized by the percentage of respondents requesting that type of training. The most frequently requested trainings, among businesses,

were all computer related: website development and design, Microsoft Excel, and QuickBooks software. The least requested were certified nurse assistant training, heavy equipment operator training, and training to set-up a bank account.

Type of training desired		
Training desired	Businesses	Organizations
Website development	71%	84%
Microsoft Excel	67%	87%
QuickBooks	67%	79%
Business plan preparation	63%	90%
Bookkeeping systems	62%	82%
Customer demand	61%	68%
Record keeping systems	59%	87%
Introduction to accounting	56%	87%
Market research	56%	74%
Computer basics	52%	79%
Business organization	52%	82%
Cash flow management	50%	87%
Taxes	50%	74%
Financial statements	49%	92%
Project Management	48%	81%
Microsoft Word	48%	76%
Microsoft PowerPoint	43%	74%
Workplace etiquette	39%	76%
Customer service	39%	79%
Business mathematics	35%	73%
Other software	26%	51%
Commercial driver license	19%	71%
Bank account set up	15%	41%
Heavy equipment operator	12%	71%
Certified nurse assistant	6%	59%

Figure 20: Training desired

Figure 21: Three most popular trainings

Then respondents were asked to list the three trainings they thought would be most beneficial to themselves, their business, or their organization. The following chart shows the percent of respondents selecting that type of training as one of their top three choices (Figure 21). Although only a little over half of respondents (52.2%) stated that they were interested in computer basics training, it was still listed as the most requested training, with 9.6% of respondents listing it among their top three. Also frequently requested were website development and design, accounting, business plan preparation, and QuickBooks software.

Computer basics	9.6%
Website development and design	8.5%
Accounting	8.1%
Business plan preparation	8.1%
QuickBooks	7.4%
Customer service and hospitality	6.3%
Marketing	5.5%
Bookkeeping	5.1%
Taxes	4.0%
Heavy equipment and construction	3.7%
Business organization and management	3.3%
Billing and cash flow	2.9%
Workplace etiquette	2.9%
Microsoft Excel	2.6%
Assessing customer demand	1.8%
Staff management and conflict resolution	1.8%
Record keeping	1.5%
Reading and interpreting financial statements	1.5%
Project management	1.5%
Microsoft Word	1.5%
Other software	1.5%
Multiple Microsoft programs	1.1%
Commercial Drivers' License Training	1.1%
Food preparation and handling	1.1%
Nonprofit and tribal management	1.1%
Small business development and financing	1.1%
Mechanic and repair	1.1%
Microsoft PowerPoint	0.7%
CPR/Medical training	0.7%
Insurance and Retirement Fund Management	0.7%
Fisheries related	0.7%
Grant writing	0.4%
Office skills	0.4%
Boat and water safety	0.4%
Energy efficiency	0.4%

Figure 22, on page 18, shows which trainings are most requested in each community. In some communities, like Hydaburg, Angoon, and Elfin Cove, a large proportion of the respondents requested almost every kind of training. In other communities, like Klawock, Kake, Gustavus, and Tenakee Springs, respondents were very interested in some types of training but not in others. While other communities, like Wrangell, Pelican, and Skagway, had lower demand overall for training.

Most respondents were very interested in the idea of receiving training in their community. There were several complaints about needing to travel to Juneau or Anchorage for training.

Although most respondents expressed interest in and were receptive to training, some people were not sure it would be helpful. One said, “I like that you’re looking at [training], but I’m not sure it would be effective. In rural communities, the populations are declining. Most have left to go to Juneau. The community is down to a small group of people we bring in and train. I like the idea of training and want to be positive, but it’s hard to do in small communities.... There are things holding [community members] back. The cost of business is very high, and nobody can afford to make it happen. I want to be supportive, but I can’t guarantee that people would go to training, though.” Others

were pessimistic about the help that would be offered: “Most of the advice I’ve gotten was terrible. It depends how good the advice is. We’ve gone through a series of financial advisors who were terrible. It’s hard to say, if you get a good advisor, yes, it’s worth it, but there’s an awful lot of really bad advice out there.” Others weren’t sure training was necessary: “We already have a strong training program in the city that is available to everyone, though it’s primarily for city employees. Although these trainings would be useful, these things are all already provided. We already have classes in accounting. There’s an education support center in Craig provided by the University of Alaska Southeast.”

	Angoon	Craig	Elfin Cove	Gustavus	Hydaburg	Kake	Klawock	Pelican	Skagway	Tenakee Springs	Thorne Bay	Wrangell	Yakutat
Website development	100.0%	85.7%	75.0%	77.8%	100.0%	83.3%	77.8%	66.7%	78.6%	100.0%	50.0%	66.7%	71.4%
Microsoft Excel	66.7%	87.5%	50.0%	66.7%	100.0%	83.3%	88.9%	33.3%	78.6%	100.0%	75.0%	70.8%	57.1%
QuickBooks	100.0%	62.5%	100.0%	66.7%	100.0%	83.3%	62.5%	66.7%	71.4%	100.0%	50.0%	58.3%	85.7%
Business plan preparation	66.7%	62.5%	100.0%	75.0%	100.0%	66.7%	50.0%	100.0%	78.6%	75.0%	75.0%	66.7%	85.7%
Bookkeeping systems	83.3%	62.5%	75.0%	88.9%	100.0%	83.3%	55.6%	33.3%	64.3%	100.0%	62.5%	56.5%	85.7%
Customer demand	83.3%	75.0%	75.0%	66.7%	66.7%	66.7%	37.5%	100.0%	57.1%	75.0%	62.5%	54.2%	71.4%
Record keeping systems	83.3%	50.0%	100.0%	77.8%	100.0%	83.3%	77.8%	50.0%	71.4%	100.0%	75.0%	43.5%	71.4%
Introduction to accounting	83.3%	62.5%	50.0%	77.8%	100.0%	83.3%	77.8%	33.3%	64.3%	75.0%	62.5%	52.2%	85.7%
Market research	83.3%	62.5%	100.0%	50.0%	100.0%	66.7%	100.0%	66.7%	57.1%	0.0%	62.5%	54.2%	71.4%
Computer basics	50.0%	37.5%	75.0%	22.2%	100.0%	83.3%	66.7%	33.3%	85.7%	75.0%	75.0%	58.3%	57.1%
Business organization	66.7%	62.5%	75.0%	55.6%	100.0%	66.7%	50.0%	66.7%	71.4%	25.0%	75.0%	54.2%	71.4%
Cash flow management	66.7%	75.0%	75.0%	88.9%	100.0%	83.3%	44.4%	33.3%	50.0%	25.0%	75.0%	56.5%	71.4%
Taxes	83.3%	75.0%	75.0%	66.7%	100.0%	66.7%	44.4%	33.3%	57.1%	75.0%	50.0%	39.1%	71.4%
Financial statements	66.7%	62.5%	50.0%	66.7%	100.0%	66.7%	77.8%	33.3%	64.3%	25.0%	75.0%	60.9%	71.4%
Project Management	50.0%	62.5%	100.0%	50.0%	100.0%	66.7%	62.5%	66.7%	57.1%	0.0%	62.5%	54.2%	71.4%
Microsoft Word	50.0%	50.0%	75.0%	33.3%	100.0%	66.7%	100.0%	33.3%	50.0%	75.0%	37.5%	62.5%	42.9%
Microsoft PowerPoint	66.7%	37.5%	50.0%	44.4%	100.0%	50.0%	55.6%	33.3%	50.0%	50.0%	62.5%	62.5%	42.9%
Workplace etiquette	66.7%	87.5%	25.0%	33.3%	100.0%	50.0%	88.9%	33.3%	69.2%	25.0%	37.5%	33.3%	57.1%
Customer service	66.7%	75.0%	25.0%	33.3%	100.0%	50.0%	88.9%	33.3%	64.3%	25.0%	50.0%	37.5%	57.1%
Business mathematics	66.7%	50.0%	75.0%	33.3%	100.0%	83.3%	55.6%	50.0%	42.9%	25.0%	50.0%	30.4%	57.1%
Other software	33.3%	14.3%	25.0%	37.5%	33.3%	20.0%	22.2%	33.3%	42.9%	50.0%	37.5%	50.0%	14.3%
Commercial driver license	66.7%	50.0%	0.0%	11.1%	100.0%	50.0%	55.6%	33.3%	35.7%	0.0%	37.5%	33.3%	42.9%
Bank account set up	66.7%	12.5%	0.0%	12.5%	100.0%	50.0%	22.2%	33.3%	14.3%	25.0%	12.5%	17.4%	28.6%
Heavy equipment operator	33.3%	37.5%	25.0%	0.0%	100.0%	50.0%	66.7%	33.3%	14.3%	25.0%	50.0%	25.0%	42.9%
Certified nurse assistant	33.3%	14.3%	25.0%	11.1%	66.7%	33.3%	44.4%	0.0%	14.3%	25.0%	37.5%	16.7%	28.6%

Figure 22: Training desired by community

### **Advice for Economic Development Organizations**

The interview asked respondents if they had any advice for organizations that are trying to help business in Southeast Alaska. Many of the comments were related to the high cost of energy and transportation in Southeast Alaska: “Fuel and energy costs are incredible compared to cities, and that’s the biggest hindrance to development. Any rural community in Alaska has enormous fuel costs.” Others encouraged organizations to make sure everyone knew about their trainings: “Get the word out and let’s get on with it, because I am not aware of anyone doing anything,” and one suggested that, “Putting fliers in everyone’s mailbox would help to get the word out.” They also recommended that trainers stay awhile: “Plan to stay here for a while when you come down; don’t just pop in and pop out; it seems that when people come, if they don’t come ahead of time and set up, then you’re always behind and out of the loop.” “Stay longer than just one day. Follow through and stay to assist people here. Do individual work.”

Several people asked that the trainings take place in their community, instead of a hub: “It would be great if they could come right here. Usually they come to other towns. If they can’t come to Gustavus, it would be more helpful for us if they could go to Juneau.” One or two suggested using technology to deliver the trainings: “Every training session or public meeting that I’ve attended could be filmed and sent to us on VCR or DVD and sent to us. We have a library where we can go to watch the DVD. People could communicate with the agency online or via telephone. Maybe a conference call could be made by everyone who took the seminar.” There was also advice about scheduling: “Don’t do everything in winter, because many people leave in winter and come back. Maybe something in early May or September would be very helpful.”

Respondents often requested that they be involved in the training in some way: “Find somebody locally to work with and coordinate with; identify an agency to work with and listen rather than tell. We’ve noticed outside outfits will come in and tell us their way to do it, but we’re not part of the process and figuring out what needs to be done; the community needs to be involved in figuring out what to fix and how to do it, even if it’s not what the agency had in mind.” “Consult with locals as much as possible; instead of coming and telling us what we need, reverse the process – work one-on-one with locals.” One respondent suggested that economic development organizations “...should use local professionals to do trainings and then pay them for their work.”

They also requested that other industries be developed in their towns. “This town was a one industry town – commercial fishing – and it’s been on shaky ground for a while. Some people are trying to start other businesses, but we have a limited population and some don’t want change, they want things how it was 30 years ago and that’s not going to happen.” “I think the biggest thing is if the state or feds want to help us out, they should make sure we’re not a one horse town, that there’s another avenue of income. Most businesses here are lodging, bars, or restaurants, and those are the only real businesses outside of charters that bring customers in.”

Others recommended that organizations distribute information on the services they provide and that they help businesses before they start. “I think to help businesses in our region you need to be more specific on exactly what kinds of things you can do for rural businesses. For example,

'If you need this, I can direct you on how to work up your plan and then help you apply for a grant, etc.' We really need for it to be laid out for us. If it sounds too complicated, people won't do it. They need more step-by-step guidance."

"It would be better if you were able to get to them at the beginning of their process, get to people before they made too many mistakes. If you had a program like that I think it could be beneficial." "There are a lot of resources here and skilled people, but they don't have information on things. Many of them want to go into business, but they don't know what business to go into. Organizations wait until someone comes up with an idea for a business and then gives them help. I think there should be info given to people with suggestions; for example: have you thought about this business or that business. Because of all the visitors we get, people could make a good living with tourist businesses, and organizations should let them know that."

Respondents also emphasized their uniqueness. "Think about the needs of the rural community and don't try to fit the city paradigm in to a rural setting." "Be sensitive to the differences in location. First know what we want, what are our unique needs. You have to understand and approach each business owner with the understanding that they will have different needs than another business in town, very rarely are people going to need the same things. Also, there needs to be an understanding about how super hard it is to just have a business in a rural area, this is made more difficult by the ever increasing fuel cost." "They actually need to come to the community and look at our town and what we have to work with and see what we have to struggle through to get something started." Others expressed doubt that people from outside of Southeast would be able to help them: "I think you should come in and listen for about a year before you do anything." "Do the research on the area that you're trying to help people in first. Our communities are a lot different than northern communities. The demands are different." "They should be aware of the local issues. It doesn't do me much good to call to Seattle with a problem. They don't have a clue what the Alaska/Southeast challenges are. It's a different environment here than even in other parts of Alaska. Anyone offering training needs to understand the local needs, environment, and system. The business climate is different."

They also expressed their disappointment with some of the agencies that had been to the community before and with the community's infrastructure. "Lots of good ideas...and nothing has come of it. It never gets beyond the planning stage." "Most of the people here don't have modern-day skills. This town needs more people with modern-day skills. I know that's what you're trying to do here, but... This town is dying." "I'm interested in talking about the big picture of how business can be developed in Southeast. If we don't have cheap electricity, we can't make ice. We need ice to be attractive to commercial fishermen. They won't come to us for fuel if we don't have ice. We don't have broad-band internet here. We can't be competitive if we have slow communication...Without infrastructure, [training] is meaningless...We've got ideas to generate income, but no money to build the infrastructure." "We don't need project planning; we need more basic things like lowering fuel costs and better internet service. We need a good infrastructure and cheap energy; to talk about project planning when we don't even have a dock is ridiculous." "We're too late in some ways to have a significant impact. The community has been decimated...There's an opportunity for fishing and seasonal tourist

businesses... People who want to do something leave town... Put a tannery out there – tanning is something that’s been going on for a long time. I think there are a variety of opportunities, but finding people with entrepreneurial drive is tough.”

Other useful comments included: “I guess I would look at what the top three resources in the area (be it the people, culture, wood, scenery, etc) are and set up businesses that are small, that can take advantage of those resources. They should cluster development, so similar businesses have plenty of resources to augment each other and not compete. Look at value-added products instead of clear cutting all the trees. Set up artisan shops, like carving Tlingit doors and panels.” “Understanding the basic economy would be useful for community at large.”

This final comment is one respondent’s advice to others wanting to start a business, but also reflects sentiments expressed by many other participants, “Have a good sense of humor. Be careful on your bookkeeping.”