

SPECIAL FOCUS: SMALL BUSINESS PROFILES

What are the Small Business Profiles?

The Small Business Profiles provide detailed financial and employment data on small businesses by industry for Canada, the provinces and territories. The Profiles have been produced every two years since 1985, with 1993 being the most current reference year available. Each Profile has five sections: expense items, profitable vs. non-profitable businesses, balance sheet items, financial ratios, and employment data.

“Small businesses” are defined as those businesses, both incorporated and unincorporated, with gross operating revenues between \$25,000 and \$5,000,000 inclusive.

The accommodation service industries

In 1993, there were 2,131 small businesses operating in BC that were identified as being part of the accommodation service industries. These businesses had a total payroll of \$541 million. The vast majority of these businesses (1,750 or 82%) employed fewer than 20 workers, and had a total payroll of \$120 million. Only 10 of the businesses had 500 or more employees, but they contributed \$102 million (19%) to the industry’s payroll total.

On average, businesses in the accommodation service industries had net profits of 7.2% of gross operating revenue. Wages and salaries take up more than one quarter of revenue, and occupancy expenses (such as rent, depreciation, repairs, and utilities) are another fifth of revenue.

As shown in the table below, net profits varied between businesses of different size in the accommodation service industries. The highest profit margin was recorded by businesses with revenue between \$134,000 and \$320,000, while those with revenue from \$67,000 to \$134,000 suffered an average net loss of 4.8%.

Overall, 61% of businesses in the accommodation service industry were profitable in 1993.

More detail available

In addition to the accommodation service industry aggregation presented here, more detailed Profiles are available for components of the industry. These are: Hotels and Motor Hotels; Motels, Tourist Courts and Cabins; Guest Houses and Tourist Homes; Lodging Houses and Residential Clubs; Camping Grounds and Travel Trailer Parks; Outfitters (Hunting and Fishing Camps); and Other Recreation and Vacation Camps.

For further information about the Small Business Profiles including a list of available industries, please refer to the Business and Economics section of the BC Stats website (www.bcstats.gov.bc.ca). The 1993 Small Business Profile for the accommodation service industries is available from the site as one example of the Profiles. Note that a diskette containing all available Small Business Profiles for Canada and BC costs \$500, and profiles for individual industries are \$5 (with a minimum charge of \$10).

EXPENSE ITEM	% of gross operating revenues				
	Accommodation service industries	Quartiles (based on revenue, \$ 000)			
		25 - 67	67 - 134	134 - 320	320 - 4710
Cost of goods sold	9.2	1.8	4.0	3.1	11.3
Wages, salaries & benefits	26.1	8.6	29.1	18.8	28.1
Occupancy expenses	19.6	29.6	28.1	22.1	17.8
Financial expenses	7.1	12.3	7.7	16.3	4.8
General expenses	4.5	7.7	6.8	5.9	3.8
Other expenses	26.4	31.2	29.1	21.8	27.0
TOTAL EXPENSES	92.4	91.2	104.8	88.0	92.9
Net profit/loss	7.2	8.8	-4.8	12.0	7.1