



2009 Member Challenges Survey

SECTION B:

IDENTIFICATION OF TOP 3 “MOST CRITICAL ISSUES”: 2008 vs. 2009

In April 2009, CIPH distributed a survey to members to identify the top three challenges facing their business at this time. Results as compared to a **similar study undertaken in April 2008** are as follows:

THE MOST CRITICAL ISSUE

(Majority responses/most common responses are listed first)

	Most Critical Issue April 2009	Most Critical Issue April 2008
A	Declining sales (7)	Attracting, retaining and developing good personnel in a rapidly changing business environment (9)
B	Economic stability (5)	Importation of low priced imports by importers who do not know the market. (4)
C	Margin crunch (4)	Growing the business/gaining market share (4)
D	Staffing/Training (3)	Managing cost increases (4)
E	Too much inventory (3)	Declining core market (2)
F	Expense management/operating costs (2)	Demand for higher efficient/green products (2)
G	Canadian/U.S. exchange (2)	Increased competition (2)
H	Lack of new construction (2)	Declining core market (2)
I	Counterfeit product	Changing of the guard (management retiring) (2)
J	Wholesale stock transferring in products represented from branches & out of province	Pricing
K	Stability of American companies I represent	Slowdown in North American economy
L	Irresponsible pricing	Construction trades inability to attract new workers
M	Growth strategies	-

THE SECOND MOST CRITICAL ISSUE

(Majority responses/most common responses are listed first)

	Second Most Critical Issue April 2009	Second Most Critical Issue April 2008
A	Staffing/shortage of skilled workers (7)	Globalization/competing in a global market (4)
B	Maintaining sales (5)	Attracting, retaining and developing good personnel in a rapidly changing business environment (4)
C	Margin erosion (3)	Maintaining a meaningful manufacturing presence in Canada (2)
D	Rising Expenses	Managing an older workforce/exit strategy (2)
E	Limitations on capital expenditure	Continued industry consolidation (2)
F	Regulatory interference	Sustainability of existing business models as manufacturers, wholesalers, master distributors
G	Customers demanding cost reductions when we've been hit with months of increases	The Canadian Dollar's rise has seriously affected the advantage enjoyed by companies exporting to the US
H	Inventory control	R&D
I	Hydronic residential pump distributors	Territory coverage
J	Low priced U.S. imports	Continuous changes in legislation
K	-	Energy saving
L	-	E-Commerce
M	-	Radical upward swings in commodity prices
N	-	Imports coming to the market
O	-	Eroding margins
P	-	Downturn on economy - more cross border shopping
Q	-	Growing our market

THE THIRD MOST CRITICAL ISSUE

(Majority responses/most common responses are listed first)

	Third Most Critical Issue April 2009	Third Most Critical Issue April 2008
A	Maintaining skilled staff (2)	Managing our aging work community and looking for new work community members/People/ Maintaining trained staff (6)
B	Customer loyalty over prices	Impact of Globalization and North Americanization. Canada has a good business model, and is increasingly under pressure from the notion that "bigger is better" when really "better is better" (5)
C	Managing excess inventory	Growing the business while facing an economic down turn (4)
D	Computerization	Technology use (2)
E	Increasing the profile of the hydronic industry... increasing market share vs. warm air	Doing more work with less staff as companies reduce costs in order to increase their profitability
F	Weak vender representation including agencies, too many 'dinosaur' thinkers at all levels	Offshore products
G	Debt loads of certain accounts	Industry consolidation
H	Possibility of declining revenues	Labour shortages
I	Costing from suppliers	Selling the business profitably
J	Consumer spending on new construction and remodeling	US economical and political impact on Canada
K	Expenses from industry events that do not create a return on investment	Real estate challenges in Metro Vancouver - escalating commercial property values and rents and availability of commercial property
L	-	Maintaining fair margin to be able to reinvest in our business while remaining competitive
M	-	Freight costs