

2009 Survey of Service Industries: Specialized Design

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Reporting Guide

This guide is designed to assist you as you complete the 2009 Survey of Service Industries. If you need more information, please call the Statistics Canada Help Line at the number below.

Help Line: 1-888-881-3666

Your answers are confidential.

Statistics Canada is prohibited by law from releasing any information from this survey which would identify a person, business, or organization, without their prior consent. The confidentiality provisions of the *Statistics Act* are not affected by either the *Access to Information Act* or any other legislation. **The Canada Revenue Agency cannot access identifiable survey data from Statistics Canada.**

These survey data will only be used for statistical purposes and will be published in an aggregate form only.

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B - Main business activity

1. Please describe the nature of your business.

To ensure that you have received the appropriate questionnaire, you are asked to describe the nature of your business. The description should briefly state the main activities of your business unit.

2. Please check the one main activity which most accurately represents your main source of revenue.

Below is a description of each main activity.

Interior design services

Business units primarily engaged in planning, designing and administering of projects in interior spaces to meet the physical and aesthetic needs of people, taking into consideration building codes, health and safety regulations, traffic patterns and floor planning, mechanical and electrical needs, and interior fittings and furniture.

Exclude:

- retail or wholesale locations that also provide interior design or decorating as a service.

Industrial design services

Business units primarily engaged in creating and developing designs and specifications that optimize the function, value and appearance of products.

Include:

- automobile industrial design services;
- industrial design consulting services;
- furniture design services;
- scale modelling services;
- industrial package design.

Exclude:

- designers of clothing, shoes or jewellery;
- business units applying principles of engineering in the design, development and utilization of machines, materials, instruments, structures, processes and systems.

Graphic design services

Business units primarily engaged in planning, designing and managing the production of visual communication, so as to convey specific messages or concepts, clarify complex information or project visual identities.

Include:

- commercial art services;
- medical illustration services;
- silk-screen design services.

Exclude:

- web page designers;
- printers and publishers;
- advertising firms (i.e., those creating or placing display advertising, or those purchasing advertising time or space from media owners and reselling it directly to advertising agencies or advertisers).

Other specialized design services

Business units not classified to any other industry, primarily engaged in providing professional design services.

Include specialized design services for:

- clothing;
- shoes;
- jewellery;
- handbags;
- fashion;
- textiles;
- theatrical set;
- floats;
- museum exhibits.

Exclude:

- computer design services.

If none of the above activities describes your main source of revenue, please call **1-888-881-3666** for further instructions.

C - Reporting period information

Please report information for your **fiscal year** (normal business year) **ending between** April 1, 2009 and March 31, 2010. Please indicate the reporting period covered by this questionnaire.

D - Revenue

A detailed breakdown may be requested in other sections.

1. Sales of goods and services (e.g., rental and leasing income, commissions, fees, admissions, services revenue) Report net of returns and allowances.

Sales of goods and services are defined as amounts derived from the sale of goods and services (cash or credit), falling within a business's ordinary activities. Sales should be reported net of trade discount, value added tax and other taxes based on sales.

Include:

- sales from Canadian locations (domestic and export sales);

- transfers to other business units or a head office of your firm.

Exclude:

- transfers into inventory and consignment sales;
- federal, provincial and territorial sales taxes and excise duties and taxes;
- intercompany sales in consolidated financial statements.

2. Grants, subsidies, donations and fundraising

Please report contributions received during the reporting period.

Include:

- non-repayable grants, contributions and subsidies from all levels of government;
- revenue from private sector (corporate and individual) sponsorships, donations and fundraising.

3. Royalties, rights, licensing and franchise fees

A royalty is defined as a payment received by the holder of a copyright, trademark or patent.

Please **include** revenue received from the sale or use of all intellectual property rights of copyrighted musical, literary, artistic or dramatic works, sound recordings or the broadcasting of communication signals.

4. Investment income (dividends and interest)

Investment income is defined as the portion of a company's income derived from its investments, including dividends and interest on stocks and bonds.

Include interest from:

- foreign sources;
- bonds and debentures;
- mortgage loans;
- G.I.C. interest;
- loan interest;
- securities interest and deposits with bank interest.

Exclude:

- equity income from investments in subsidiaries or affiliates; these amounts should be reported in **Section E**, at question 25.

5. Other revenue (please specify)

Include:

- amounts not included in questions 1 to 4 above.

6. Total revenue

The sum of questions 1 to 5.

E - Expenses

1. Salaries and wages of employees who have been issued a T4 statement

Please report all salaries and wages (including taxable allowances and employment commissions **as defined** on the T4 – Statement of Remuneration Paid) before deductions for this reporting period.

Include:

- vacation pay;
- bonuses (including profit sharing);
- employee commissions;
- taxable allowances (e.g., room and board, vehicle allowances, gifts such as airline tickets for holidays);
- severance pay.

Exclude:

- all payments and expenses associated with casual labour and outside contract workers; please report these amounts in this section, at question 5.

2. Employer portion of employee benefits

Include contributions to:

- health plans;
- insurance plans;
- employment insurance;
- pension plans;
- workers' compensation;
- contributions to any other employee benefits such as child care and supplementary unemployment benefit (SUB) plans;
- contributions to provincial and territorial health and education payroll taxes.

3. Commissions paid to non-employees

Please report commission payments to outside workers without a T4 – Statement of Remuneration Paid.

Include:

- commission payments to independent real estate agents and brokers.

4. Professional and business services fees

Include:

- legal;
- accounting and auditing;
- consulting;
- education and training;
- research and development;

- architect;
- appraisal;
- management and administration.

5. Subcontract expenses (include contract labour, contract work and custom work)

Subcontract expense refers to the purchasing of services from outside of the company rather than providing them in-house.

Include:

- hired casual labour and outside contract workers.

6. Charges for services provided by your head office

Include:

- parent company reimbursement expenses and interdivisional expenses.

7. Cost of goods sold, if applicable (purchases plus opening inventory minus closing inventory)

Report cost of purchased goods that were resold during the reporting period. If applicable, report cost of goods and material used in manufacturing of sold products.

Include:

- goods purchased for resale: purchases during the period (including freight-in) **plus** opening inventory **less** closing inventory;
- materials used in manufacturing of products sold: report **only** the material component of cost of finished manufactured goods that were sold during the reporting period.

Exclude:

- direct and indirect labour costs (salaries, wages, benefits, and commissions);
- overhead and all other costs normally charged to cost of goods sold, such as depreciation, energy costs, utilities, sub-contracts, royalties, transportation, warehousing, insurance, rental and leasing; these expenses should be reported elsewhere in the detailed categories provided.

8. Office supplies

Include:

- office stationery and supplies, paper and other supplies for photocopiers, printers and fax machines;
- diskettes and computer upgrade expenses;
- data processing.

Exclude:

- postage and courier;

- telephone, Internet and other telecommunications expenses (please report this amount in this section, at question 14).

9. Rental and leasing (include rental of premises, equipment, motor vehicles, etc.)

Include:

- lease rental expenses, real estate rental expenses, condominium fees and equipment rental expenses;
- motor vehicle rental and leasing expenses;
- rental and leasing of computer and peripheral expenses;
- studio lighting and scaffolding, and other machinery and equipment expenses;
- fuel and other utility costs covered in your rental and leasing contracts.

10. Repair and maintenance (e.g., property, equipment, vehicles)

Include expenses for the repair and maintenance of:

- buildings and structures;
- vehicles (including vehicle fuel);
- machinery and equipment;
- security equipment;
- costs related to materials, parts and external labour associated with these expenses.

Also **include** janitorial and cleaning services and garbage removal.

11. Insurance (include professional liability, motor vehicles, etc.)

Include:

- professional and other liability insurance;
- motor vehicle and property insurance;
- executive life insurance;
- bonding, business interruption insurance and fire insurance.

Insurance recovery income should be deducted from insurance expenses.

12. Advertising, marketing and promotions (report charitable donations at question 22)

Include:

- newspaper advertising and media expenses;
- catalogues, presentations and displays;
- meeting and convention expenses;
- tickets for theatre, concerts and sporting events for business promotion;
- fundraising expenses.

13. Travel, meals and entertainment

Include:

- passenger transportation, accommodation and meals while travelling;
- other travel allowances as well as meal, entertainment and hospitality purchases for clients.

14. Utilities and telecommunications expenses (include gas, heating, hydro, water, telephone and Internet expenses)

Include:

- diesel, fuel wood, natural gas, oil and propane;
- sewage.

Exclude:

- energy expenses covered in your rental and leasing contracts;
- vehicle fuel.

15. Property and business taxes, licences and permits

Include:

- property taxes paid directly and property transfer taxes;
- vehicle licence fees;
- beverage taxes and business taxes;
- trade licence fees;
- membership fees and professional licence fees.

16. Royalties, rights, licensing and franchise fees

Include:

- amounts paid to holders of patents, copyrights, performing rights and trademarks;
- gross overriding royalty expenses and direct royalty costs;
- resident and non-resident royalty expenses;
- franchise fees.

17. Delivery, warehousing, postage and courier

Include:

- amounts paid for courier, custom fees, delivery and installation;
- distribution, ferry charges and cartage;
- freight and duty, shipping, warehousing and storage.

18. Financial service fees

Include:

- explicit service charges for financial services;
- credit and debit card commissions and charges;

- collection expenses and transfer fees;
- registrar and transfer agent fees;
- security and exchange commission fees;
- other financial service fees.

Exclude:

- interest expenses.

19. Interest expenses

Please report the cost of servicing your company's debt.

Include interest on:

- short-term and long-term debt;
- capital leases;
- bonds and debentures and mortgages.

20. Amortization and depreciation of tangible and intangible assets

Include:

- direct cost depreciation of tangible assets and amortization of leasehold improvements;
- amortization of intangible assets (e.g., amortization of goodwill, deferred charges, organizational costs, and research and development costs).

21. Bad debts

A bad debt is the portion of receivables deemed uncollectible, typically from accounts receivable or loans.

Include:

- allowance for bad debts.

Bad debt recoveries are to be netted from bad debt expenses.

22. All other expenses (please specify)

Include:

- amounts not included in questions 1 to 21;
- charitable and political expenses;
- research and development expenses;
- education and training expenses;
- recruiting expenses.

23. Total expenses

The sum of questions 1 to 22.

24. Corporate taxes, if applicable

Include:

- federal, provincial and territorial current income taxes and federal, provincial and territorial provision for deferred income taxes.

25. Gains (losses) and other items

Include:

- realized gains/losses on disposal of assets and realized gains/losses on sale of investments;
- foreign exchange gains/losses, subsidiary/affiliate share of income/losses and other division income/losses;
- joint venture income/losses and partnership income/losses;
- unrealized gains/losses, extraordinary items, legal settlements, and other unusual items;
- write-offs.

26. Net profit/loss after tax and other items

Total revenue **less** Total expenses **minus** Corporate taxes **plus** Gains (losses) and other items.

F - Industry characteristics

Interior design services

1. Interior design services, including construction management

Interior design services, in which the contract includes the management by the designer, of the construction process to put into place the design. Includes programming, conceptual design development (i.e., schematics), design development, specification of necessary items and components, preparation of construction documents and contract administration. Includes interior design services related to the restoration or renovation of historic buildings.

a) Residential interior design services, except historical restoration

Interior design services for residential buildings, in which the contract includes the management by the designer, of the construction process to put into place the design. Includes programming, conceptual design development (i.e., schematics), design development, specification of necessary items and components, preparation of construction documents and contract administration.

Exclude:

- interior design services related to the restoration or renovation of historic buildings.

b) Non-residential interior design services, except historical restoration

Interior design services for non-residential buildings, in which the contract includes the management by the designer, of the construction process to put into place the design. Includes programming, conceptual design development (i.e., schematics), design development, specification of necessary items and components, preparation of construction documents and contract administration.

Exclude:

- interior design services related to the restoration or renovation of historic buildings.

c) Historic building interior design services, including historical restoration

Interior design services for buildings in which the historic character of the building must be taken into account. Includes services related to restorations, and to changes in use.

Exclude:

- interior decorating services;
- interior design consulting services;
- architectural design services.

2. Interior design services, not including construction management

Interior design services, in which the contract does not include any construction management services.

Include:

- interior lighting design services;
- window treatment design services;
- colour and finish selection services;
- furniture, fixtures and equipment layout services.

3. Interior decorating services

Providing aesthetic services associated with interior spaces.

Industrial design services

4. Product industrial design services

Design services that optimize the manufacturing efficiency, functionality and appearance of products.

Include:

- the determination of the materials, construction methods and technology, mechanisms, shape, colour, and surface finishes of the product, taking into consideration human needs, safety, market appeal and efficiency in production, distribution, use and maintenance.

Exclude:

- design of clothing, footwear, jewellery and textiles; please report these amounts in this section, at question 13 below.

5. Model design and manufacturing services

Design and manufacturing services for models of new product concepts; models can be full or reduced-scale.

Graphic design services

6. Corporate identity and communications graphic design services

Designing the corporate identity and image, internal communications, and external communications.

Include:

- the design of a consistent set of logos, graphic style, printed and electronic materials.

Exclude:

- graphic design of advertisements and brand identities.

7. Advertising graphic design services

Designing the visual appearance of an advertisement or advertising campaign.

Include:

- brand identity design services.

Exclude:

- creating complete advertisements or advertising campaigns.

8. Commercial illustration services

Provision of illustrations for use in graphic design projects.

9. Graphic interface and interaction design services

The design of software interfaces, except those related to website design.

Include:

- the design of video game interfaces.

10. Book, magazine and newspaper graphic design services

Graphic design of books, magazines and newspapers, including their covers and interior layout, and selection of typefaces.

11. Broadcast and motion picture graphic design services

Design graphics for motion picture and television use, such as titles, opening and closing montages, bumpers, transitions and interstitials, blue/green screen removal and animations.

12. All other graphic design services

Include:

- signage and wayfinding graphic design services;
- packaging graphic design services;
- typeface design services.

Fashion, jewellery, footwear and other design services

13. Clothing, shoe, textile, jewellery, and other specialized design services not elsewhere classified

Other design services including clothing, footwear, jewellery, parade floats, textiles, and patterns to be used in the manufacture of individual components of clothing and footwear.

Related services and products

14. Website design and development services

Include:

- software publishers;
- Internet service providers, web search portals, and data processing services;
- computer systems design and related services.

15. Consulting services

Providing advice and guidance about specialized design issues.

16. Printing services

Printing copies of images and documents for others, for a fee.

17. Drafting services

Producing detailed layouts, plans, drawings, illustrations, graphics or models based on engineering or architectural specifications, for use in the design, manufacture, installation, construction, repair or maintenance of buildings, structures, systems or components.

18. Sales of merchandise purchased for resale as is

Retail or wholesale sales of merchandise.

19. All other sales (please specify)

Include:

- interior decorating services;
- consulting services (not associated with the production of a design);
- market research services;
- advertising creative services (e.g., creating complete advertisements or advertising campaigns).

20. Total sales

The sum of questions 1 to 19.

G - Personnel

To fully measure the contribution of all human capital in this industry, we require information on the number of partners and proprietors as well as the number and classification of workers.

1. Number of partners and proprietors, non-salaried (if salaried, report at question 2 below)

For unincorporated businesses, please report the number of partners and proprietors for whom earnings will be the net income of the partnership or proprietorship.

2. Paid employees

a) Average number of paid employees during the reporting period

To calculate the average number employed, add the number of employees in the last pay period of each month of the reporting period and divide this sum by the number of months (usually 12).

Exclude:

- partners and proprietors, non-salaried reported at question 1 above.

b) Percentage of paid employees (from question 2a) who worked full time

Full-time employment consists of persons who usually work 30 hours or more per week. Please specify the percentage of paid employees who have been working full time by rounding the percentage to the nearest whole number.

3. Number of contract workers for whom you did not issue a T4, such as freelancers and casual workers (estimates are acceptable)

Contract workers are not employees, but workers contracted to perform a specific task or project in your organization for a specific duration, such as self-employed persons, freelancers and casual workers. These workers are not issued a T4 information slip. Please report the number of contract workers employed by your organization during the fiscal year.

H - Sales by type of client

This section is designed to measure which sector of the economy purchases your services.

Please provide a percentage breakdown of your sales by type of client.

Please ensure that the sum of percentages reported in this section equals 100%.

1. Clients in Canada

a) Businesses

Percentage of sales sold to the business sector should be reported here.

Include:

- sales to Crown corporations.

b) Individuals and households

Please report the percentage of sales to individuals and households who do not represent the business or government sector.

c) Governments, not-for-profit organizations and public institutions (e.g., hospitals, schools)

Percentage of sales to federal, provincial, territorial and municipal governments should be reported here.

Include:

- sales to hospitals, schools, universities and public utilities.

2. Clients outside Canada

Please report the share of total sales to customers or clients located outside Canada including foreign businesses, foreign individuals, foreign institutions and/or governments.

Include:

- sales to foreign subsidiaries and affiliates.

I - Sales by client location

Please provide a percentage breakdown of your total sales by client location (first point of sale).

Please ensure that the sum of percentages reported in this section equals 100%.

The percentage in question 14 must equal question 2 in section H.

J - International transactions

This section is intended to measure the value of international transactions on goods, services, and royalties and licences fees. It covers **imported services and goods** purchased outside Canada as well as the value of **exported services and goods** to clients/customers outside Canada. Please report also royalties, rights, licensing and franchise fees paid to and/or received from outside Canada. Services cover a variety of industrial, professional, trade and business services.

General information

Survey purpose

Statistics Canada conducts this survey to obtain detailed and accurate data on this industry, which is recognised as being an important contributor to the Canadian economy. Your responses are critically important to produce reliable statistics used by businesses, non-profit organizations and all levels of government to make informed decisions in many areas.

The information from this survey can be used by your business to benchmark your performance against an industry standard, to plan marketing strategies or to prepare business plans for investors. Governments use the data to develop national and regional economic policies and to develop programs to promote domestic and international competitiveness. The data are also used by trade associations, business analysts and investors to study the economic performance and characteristics of your industry.

Data-sharing agreements

To reduce respondent burden, Statistics Canada has entered into data sharing agreements with provincial and territorial statistical agencies and other government organizations, which must keep the data confidential and use them only for statistical purposes. Statistics Canada will only share data from this survey with those organizations that have demonstrated a requirement to use the data.

Section 11 of the *Statistics Act* provides for the sharing of information with provincial and territorial statistical agencies that meet certain conditions. These agencies must have the legislative authority to collect the same information, on a mandatory basis, and the legislation must provide substantially the same provisions for confidentiality and penalties for disclosure of confidential information as the *Statistics Act*. Because these agencies have the legal authority to compel businesses to provide the same information, consent is not requested and businesses may not object to the sharing of the data.

For this survey, there are **Section 11** agreements with the provincial and territorial statistical agencies of Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, and the Yukon.

The shared data will be limited to information pertaining to business establishments located within the jurisdiction of the respective province or territory.

Section 12 of the *Statistics Act* provides for the sharing of information with federal, provincial or territorial government organizations. Under **Section 12**, you may refuse to share your information with any of these organizations by writing a letter of objection to the Chief Statistician and returning it with the completed questionnaire. Please specify the organizations with which you do not want to share your data.

For this survey, there are **Section 12** agreements with the statistical agencies of Prince Edward Island, the Northwest Territories and Nunavut.

For agreements with provincial and territorial government organizations, the shared data will be limited to information pertaining to business establishments located within the jurisdiction of the respective province or territory.

Record linkages

To enhance the data from this survey, Statistics Canada may combine it with information from other surveys or from administrative sources.

Please note that Statistics Canada does not share any individual survey information with the Canada Revenue Agency.

For more information about these data-sharing agreements, please contact Statistics Canada at **1-888-881-3666** or visit our website at www.statcan.gc.ca/survey-enquete/index-eng.htm.

Thank you!