

## LOST CREEK ANGLING: FISHING FOR PROFITS AND NAVIGATING MISSION DRIFT

*Connie Van der Byl and Ryan Parks wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.*

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Scholars have long known that fishing eventually turns men into philosophers. Unfortunately, it is almost impossible to buy decent tackle on a philosopher's salary.

Patrick McManus

There's a fine line between fishing and standing on the shore like an idiot.

Steven Wright

Lost Creek Angling Co. (LCA), located in southeastern British Columbia, Canada on the Wigwam River, offered a unique experience to ecotourists interested in fly-fishing and engaging with nature. William (Bill) Wilcox was an accomplished ecopreneur—a fishing guide and outdoorsman who offered clients an education in, and appreciation for, nature. Clients experienced the outdoors in its most natural state, while realizing the health and wellness benefits of getting away from their daily routine. The company exemplified the traits of a hybrid organization with its strong environmental and social mission, while still operating for profit. Wilcox was in his early 70s and contemplating transitioning out of the business in the next two to five years. At the same time, the regulatory permit granting access to the LCA wilderness camp area was up for renewal. In addition, so-called rod days, which were required daily permits for fly-fishing guides in the province, were limited and becoming increasingly scarce. Although a rod day could be bought for a reasonable price on the direct market, it had historically sold at about four times that amount on the secondary market. In the middle of 2015, a client wanting to act as an angel investor contacted Wilcox, intending to provide equity to ensure that the business could continue. However, by his own admission, Wilcox was not a shrewd businessperson. He wondered what strategic options were available to him at this time, and how he would decide on the best path forward.

### BACKGROUND

LCA offered clients the opportunity to connect with nature, de-stress, and enjoy some of the best fly-fishing in the world. The LCA wilderness camp was located near Fernie, British Columbia on the Wigwam River

in the Kootenay region (see Exhibit 1). The camp was remote and rugged. The river was rocky with large boulders, making it ideal for fishing but challenging to walk. The operation of the camp could be described as “off the grid.” Propane was used both to heat water for an outdoor shower and to cook on the barbeque grill. A compostable and biodegradable porta-potty was available for toilet facilities. All food was brought in, and all waste was brought out. Safety measures were taken to prevent wildlife, including bears, from being drawn to the camp.

Clients travelled in and out of the camp by helicopter. There was also an option to travel by mountain bike, but this method required crossing a river, which could only be done when the water level was low enough to cross—still an arduous option. Both Wilcox and his wife Norma, a retired hair stylist from Fernie, were extremely fit and avid outdoors people who enjoyed the backcountry, downhill skiing, hiking, and mountain biking, so they could manage the difficult trek. On the rare occasion that a guest missed their helicopter ride, Wilcox would walk them into camp, crossing the river. However, this was not an option for most of LCA’s existing clientele, as Wilcox explained:

You can walk into camp from about mid-August to end of season. But only two or three out of 20 clients would be physically able to do it. And you still have to helicopter in the supplies. But, the rate for a loaded helicopter with freight is different than with passengers because it doesn’t take as long.

Clients had the option to stay for one to four nights. Accommodation was provided on-site. A Mongolian yurt could sleep up to eight people (five clients and three staff) in comfortable beds, complete with linen (see Exhibit 2). The yurt represented an initial capital investment for LCA of CA\$15,000.<sup>1</sup>

Clients were served two meals at the camp and were provided sandwiches while on the river. A cook was hired by Wilcox to provide all meals. With a high unemployment rate in the Kootenay region of around 7.5 per cent,<sup>2</sup> finding labour was not necessarily a challenge. However, Wilcox had high standards for the experience he offered, and he often hired individuals he had known personally for some time. He and his wife made preparations in advance for accommodation and food. After a day on the river, clients enjoyed unwinding by the campfire, under a blanket of stars. Looking back on the recent season, Wilcox noted that “everybody was very happy, and we were happy that people showed up and had a good experience.”

Customers could choose from three area rivers for fly-fishing: Elk, Wigwam, and Bull (see Exhibit 3). Each fly-fishing river experience had different pricing packages. Customers could also opt for a scenic float trip with an experienced guide, which did not involve fishing. The trips were designed with a low carbon footprint in mind, in order to preserve the natural beauty and sanctity of the area. This ensured that people could consistently enjoy the experience each time they visited. Prices ranged from \$300 for three to four people for a three-hour float trip down the Elk River with no fishing, to \$700 per day for walk-and-wade style fishing on the Wigwam River, which also included access to LCA’s wilderness camp.

## FLY-FISHING

The origins of modern fly-fishing dated back hundreds of years and were first documented in various texts published in England in the 1400s. Fly-fishing grew in popularity in the 18th century and remained a popular method of angling.

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<sup>1</sup> All currency amounts are in CA\$ unless otherwise specified.

<sup>2</sup> “Labour Force Characteristics, Unadjusted, by Economic Region (3 Month Moving Average) (Alberta, British Columbia),” Statistics Canada, accessed June, 2017, [www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/lfss05f-eng.htm](http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/lfss05f-eng.htm).

Fly-fishing was a technique that used artificial flies—often artfully constructed from a single hook, feathers, and threads to resemble insects—to catch fish. As artificial insects, fishing flies were often small and nearly weightless. It was the fly-fishing line that provided sufficient weight to be able to cast. This was in contrast to other widely-known fishing techniques, in which a heavier lure at the end of a lighter line was cast into the water. Fly-casting attempted to place the fly on the surface of the water and then pull it back into the air. This action was repeated to replicate the action of an insect landing on the water and attracting the attention of a hungry fish. This action created the well-known forward and back casting motion of the fly rod, most often associated with the sport.

The popularity of fly-fishing as a sport in North America could be partially attributed to a popular Hollywood film. In 1992, Robert Redford brought Norman Maclean's novella *A River Runs Through It* to the big screen. Set in the first half of the 20th century on Montana's Blackfoot River, it was a story about the lives of a father and two sons, and their love of fly-fishing. The movie's beautiful western wilderness locations and spectacular Oscar-winning cinematography, as well as a young Brad Pitt in the cast, ensured that the film was both a critical and popular success.

While fly-fishing was becoming a global sport, and was practised across the continent, a significant portion of North American freshwater fly-fishing (31.5 per cent) took place in the Rocky Mountain region.<sup>3</sup> Statistics on fly-fishing in British Columbia fell under the umbrella category of general sport fishing. However, British Columbia's Freshwater Fisheries Society noted that the province's freshwater sport fishing industry employed 5,000 individuals and contributed \$957 million in direct, and indirect, economic activity, generating approximately \$144 million for provincial tax coffers each year.<sup>4</sup>

The Elk River was located in the Elk Valley of southeastern British Columbia, near the town of Fernie. The river provided access to a variety of fish species, including westslope cutthroat trout, bull trout, and Rocky Mountain whitefish.

## THE ENTREPRENEUR

Wilcox founded and operated LCA in 1995 while still working in various jobs. In 2006, he retired as a classified journeyman, having been operating large trucks from Line Creek mine. He also managed recreational properties for absentee homeowners in the area. He would do weekly checks on the homes for compliance with homeowner insurance policies, clear snow, liaise with contractors, and deal with any issues that might arise. Beyond his salary for these property management activities, Wilcox received a fixed pension from the mining company. When he started the business, he thought of it as a "really good way to actually make a little extra money and for retirement—a little extra income."

Wilcox's background was not typically considered aligned with contemporary environmentalism. He spent much of his career working in a coal mine and enjoyed sport hunting. However, he had a profound respect and appreciation for nature, and made it a priority to minimize his, and LCA's, impact on wildlife by letting the river rest between fishing trips. To that end, he demonstrated eco-centric leadership in his commitment to the environment. The reputation of LCA was closely tied to Wilcox himself. Client testimonials focused on the excellent experience of trips into the camp and Wilcox's knowledge, organization, and personality.

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<sup>3</sup> Kirk Deeter, "Market Research Paints Clear Picture of Fly Fishing Industry," *Field and Stream*, August 30, 2012, accessed January 22, 2018, [www.fieldandstream.com/blogs/flytalk/2012/08/interesting-facts-about-fly-fishing-market](http://www.fieldandstream.com/blogs/flytalk/2012/08/interesting-facts-about-fly-fishing-market).

<sup>4</sup> Freshwater Fisheries Society of BC, *2013 BC Freshwater Sport Fishing Economic Impact Report*, 2, accessed January 22, 2018, [www.gofishbc.com/PDFs/Footer/2013\\_bc\\_freshwater\\_sport\\_fishing\\_economic\\_impact\\_r.aspx](http://www.gofishbc.com/PDFs/Footer/2013_bc_freshwater_sport_fishing_economic_impact_r.aspx).

He worked independently much of his life. He found partnership challenging, because of the lack of control that came from it, as he explained:

Eventually, I would like to see another person, who I believe should run the business, buy it—not a dollars-and-sense kind of guy, where that rules what he does, but someone who sees the need to protect the animals and not overfish.

## COMPETITIVE LANDSCAPE

Since its inception, LCA had relied on word of mouth to attract clients. Wilcox's first clients were recruited through a friend and competing fishing guide in Fernie, who didn't have the capacity to accommodate them. These clients were middle aged, wealthy businessmen from the United States who were very satisfied with their excursion and recommended LCA to their friends and colleagues. The following year, Wilcox was able to fill his summer occupancy with local and U.S. clients entirely through word-of-mouth promotion. The typical LCA client was male, from middle age to retirement, with a significant amount of disposable income and a love for fly-fishing. A recent drop in the value of the Canadian dollar helped to both attract more U.S. clients and keep Canadian vacationers in Canada, potentially choosing a fishing experience in British Columbia. Each summer, as LCA's reputation continued to grow, Wilcox was able to book the camp to capacity without the need for marketing or advertising. LCA had no social media presence and only a very basic informational website that was dated in its design and lacked online booking capabilities. Wilcox admitted that there was room to improve LCA's online presence.

Fly-fishing had increased in popularity in Fernie over the previous 10 years. Although the area was predominantly known as a ski destination, it was also becoming an all-season location with world-class fly-fishing and mountain biking facilities. For example, Fernie Alpine Resort was a popular local ski hill in the winter, and offered downhill mountain biking, zip lining, and a ropes course to its summer clientele. Fishing on rivers in the area, including the Elk, Wigwam, and Bull rivers, had been designated as catch-and-release since flooding impacted the area in 1995. Several Fernie-based fishing guides offered the service of floating clients down the Elk River on boats for day trips. LCA was unique in providing helicopter fly-in and fly-out service to its wilderness camp clients.

LCA had two main relevant local competitors. The first was Fernie Wilderness Adventures (FWA), which was based in Fernie and operated year-round. From a cabin surrounded by rich scenery along the Elk River, FWA offered guided fishing in the summer and *cat skiing* in the winter, which referred to using grooming machines (or snowcats) to access the backcountry for skiing. A second competitor, Montana Angler, was based in Montana's Flathead River and offered a similar experience to LCA, but at a higher cost (see Exhibit 4). Wilcox agreed that his prices could be higher: "Two customers, who are business people, stated that I was underpriced."

### Direct Competitors

FWA was established in 1986 and had been involved in the outdoor recreational industry for over 20 years. Owner Kim Sedrovic grew up in Fernie and was deeply involved with the company's daily operations. Sedrovic himself acted as a guide in the fly-fishing sector, which enabled him to interact with his clients and his team on a regular basis. FWA information was easily accessible through third-party websites such as TripAdvisor, Tourism Fernie, and Catskiing Canada. The company's website was easy to use, and information was clearly presented to viewers. Pricing and trip details were listed on the site, and online

booking was available. FWA offered flexible pricing and other trip packages. Customizable options were also available via telephone booking.<sup>5</sup>

Montana Angler was a family-based outfitter located just south of the Canadian border in Montana. The company offered many services associated with fly-fishing in the state, including day trips, lodging packages, and wilderness camping adventures. Customization was key to the company's offerings. Montana Angler helped facilitate and coordinate its customers' stays at third-party fishing lodges, hotels, cabins, and rental homes. The outfitter partnered with third parties to allow guests to experience the ideal combination of world-class dining and accommodations. Montana Angler took great pride in its staff, which had over 100 years of combined experience in the area. The guides helped customers navigate many of the great fishing waters, including rivers, spring creeks, and lakes. Montana Angler offered customers trips on bodies of water with both public and private access, providing customers with many options for fly-fishing in Montana.<sup>6</sup>

### Indirect Competitors

Indirect competitors offered outdoor experiences in remote locations but with variation in the type of accommodation provided, and they were not located in the Fernie area. Potential clients could access resorts on the west coast of British Columbia via boat or seaplane. Most competitors offered fishing for wide varieties of fish, including trophy salmon, as well as wildlife tours with a focus on sustainability. Accommodations at these sites ranged from rustic to luxury, and some included Wi-Fi access. Approaches to sustainability also varied. Some organizations operated with attention to sustainability, featuring organic gardens, high-efficiency wood furnaces, and responsible development. In other instances, the focus was on relations with indigenous peoples and the environmentally conscious idea of leaving behind only footprints. Indirect competitors on the west coast of British Columbia included the Clayoquot Resort, Ecotours Lodge, and Rivers Inlet.

## THE MARKET

Ecotourism was an emerging and growing market. The term described tourism businesses that focused on natural destinations, environmental education, conservation, and support for local cultures and economies.<sup>7</sup> Ecotourists were willing to pay higher rates and tended to make repeat visits.<sup>8</sup> This market was part of the larger consumer movement referred to as lifestyles of health and sustainability, which was characterized by "individuals who place a higher value on healthy living, environmental and social justice, and ecological sustainability in the products and services they purchase."<sup>9</sup> Consumers were increasingly demanding responsible production of products, and were seeking out firms and products that enabled a healthy and sustainable lifestyle. The number of consumers who openly proclaimed their support for environmentally conscious (or green) brands was growing.

Interestingly, females comprised a significant portion of this expanding market and could be divided into two segments by age. Women between the ages of 45 and 65 were identified as cautious ecotourists. They were educated and had a significant amount of disposable income. They also tended to uphold quality as an

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<sup>5</sup> "General Information," Fernie Wilderness Adventures, accessed November 1, 2015, [www.fwaflyfishing.com/general-info](http://www.fwaflyfishing.com/general-info).

<sup>6</sup> "Montana Fishing Guides," Montana Angler, accessed December 1, 2015, [www.montanaangler.com/montana-fishing-guides](http://www.montanaangler.com/montana-fishing-guides).

<sup>7</sup> Martha Honey, *Ecotourism and Sustainable Development: Who Owns Paradise?* (Washington, DC: Island Press, 2008).

<sup>8</sup> Eugene Ezebilu, "Choosing Ecotourism Destinations for Vacations: A Decision-Making Process," *Asian Social Science* 10, no. 2 (2014): 10–17.

<sup>9</sup> Nardia Haigh and Andrew J. Hoffman, "Hybrid Organizations: The Next Chapter of Sustainable Business," *Organizational Dynamics* 41 (2012): 126–134.

important attribute of the experience. The second segment, younger women aged 18 to 44, were referred to as active ecotourists. They were more concerned with the image and status associated with their trip and were highly engaged in social media.<sup>10</sup> Both groups represented a potential marketing opportunity in ecotourism.

Two significant trends were influencing the ecotourism market. The first trend related to how ecotourists chose their destinations. The Internet had become the dominant method of selecting and booking ecotourism trips. Ecotourists were shown to choose destinations that provided greater amounts of information on sustainability.<sup>11</sup> Furthermore, ecotourists tended to gather more information and were more critical in the assessment of the available literature than the average tourist.<sup>12</sup>

The second trend was a growing push toward certification throughout the industry.<sup>13</sup> Despite a growing ecotourism market, Canada did not have a formal system in place for regulating and accrediting ecotourism businesses, which meant that firms could claim to offer an ecotourism experience despite their lack of commitment to social issues and the environment.<sup>14</sup> However, two major voluntary existing accreditations were available. Biosphere Responsible Tourism certification was recognized by the Global Sustainable Tourism Council and by multiple United Nations agencies. B Corp certification was provided by B Lab, a global non-profit organization, to businesses that met specific social and environmental performance requirements. The process of obtaining certification was challenging, but relatively straightforward.

## VALUE CHAIN AND FINANCIALS

The services in LCA's value chain extended from issuing permits to providing offsite waste disposal. Wilcox had followed a similar annual process for conducting business along the value chain since starting the company. Clients were typically repeat customers and booked their trips up to one year in advance. The business season extended from mid-July to early September, when fishing was at its peak. In June, Wilcox and his wife would travel into the camp by mountain bike to conduct an initial assessment of any winter damage. They then visited a second time via helicopter to bring supplies, including bedding, propane, non-perishable food items, and cooking gear. Wilcox accompanied clients into the camp, taking two helicopter trips in so that they could bring along perishable items. Typically, clients brought their own fishing gear, but LCA could supply them, if needed.

A week prior to the start of the season, Wilcox bought whatever supplies would be needed and did all the cooking that could be done in advance. The cook and guides were brought into the camp as needed. All material waste was flown out by helicopter and disposed of in Fernie via recycling, bottle returns, and trips to the waste transfer station in town. At the end of the season, Wilcox and his wife would travel into the camp by mountain bike to take down the camp, and then make one final helicopter trip to bring back any items that could not stay at the camp.

The bulk of costs were associated with purchasing rod days for guides, helicopter travel, and food. Foods and beverages were purchased from the local Save On Foods grocery store and the occasional trip to Costco

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<sup>10</sup> Jin Seong Park and Jinhee Lee, "Segmenting Green Consumers in the United States: Implications for Green Marketing," *Journal of Promotion Management* 20, no. 5 (2014): 571–589.

<sup>11</sup> Eugene Ezebilu, "Choosing Ecotourism Destinations for Vacations: A Decision-Making Process," *Asian Social Science* 10, no. 2 (2014): 10–17.

<sup>12</sup> Holley M. Donohoe and Roger D. Needham. "Internet-Based Ecotourism Marketing: Evaluating Canadian Sensitivity to Ecotourism Tenets," *Journal of Ecotourism* 7, no. 1 (2008): 15–43.

<sup>13</sup> Euromonitor International, "Ecotourism's Potential Is Still Largely Unexplored," May 16, 2008, Euromonitor Passport GMID database.

<sup>14</sup> Thomas B. Lawrence, Deborah Wickins, and Nelson Phillips. "Managing Legitimacy in Ecotourism," *Tourism Management* 18, no. 5 (1997): 307–316, accessed November 16, 2015, <https://thomaslawrence.files.wordpress.com/2008/08/lawrence-et-al-1997-managing-legitimacy-in-ecotourism.pdf>.

Wholesale (Costco) in Lethbridge or Calgary. There were also several local businesses that could be considered for food sourcing. Loaf Bakery offered fresh, home-baked bread, sandwiches, flat breads, and salads. The Fernie Mountain Market ran every Sunday from early June to mid-October, offering locally sourced produce and other products. Iron Creek Catering was another Fernie business that offered catering and local food production services in the area. Alcoholic beverages, also available to LCA clients, were locally sourced from British Columbia's retail alcohol outlets.

The helicopter also presented an environmental cost. Helicopters were not regarded as being eco-friendly, creating environmental pollution through carbon dioxide emissions and noise. LCA's helicopter service was provided by Ascent, a company located in Fernie and Vancouver. The local pilot was a good friend of Wilcox's. The helicopter model used to fly into the camp was a Bell 206L1 Long Ranger with an extended body, with relatively high horsepower and capacity to transport six people.<sup>15</sup> Helicopters with lower emissions could carry only two to four passengers.

Over the previous two years, LCA earned combined revenues of \$46,293. Wilcox believed that he was earning a 20 per cent profit margin. However, calculations showed that in 2013, LCA's best year, the company earned a 10 per cent return before accounting for the labour of Wilcox and his wife. In 2014, LCA spent a total of \$1,984.77 on food and drink supplies, which was 27 per cent lower than in 2012, probably due to a shift in purchasing most supplies from Costco. In 2014, more than 90 per cent of food and drink purchases (\$1,808.50) consisted of food and alcohol-free beverages purchased at both Costco (\$1,020.97) and Save On Foods (\$787.53). Alcoholic drinks bought in liquor stores accounted for the remaining 10 per cent (\$176.27) of total spending for food and beverage supplies that year (see Exhibit 5).

LCA's financial statements were based on informal data kept by Wilcox in a Microsoft Excel spreadsheet. The information provided only approximate details and was unverified by an accounting firm. Therefore, the figures could only be considered representative.

## STAKE

Wilcox had gained a well-established positive reputation in the local community, having spent many years as a ski patroller and search-and-rescue volunteer. However, LCA had received some opposition by a local environmental activist group called Wildsight, a sustainability group that was formed to protect the environment in the Kootenay region. Specifically, its members worked "locally, regionally and globally to protect biodiversity and encourage sustainable communities in Canada's Columbia and Rocky Mountain regions."<sup>16</sup>

The LCA operation did not infringe on traditional aboriginal lands. Prior to receiving its initial permit, Wilcox consulted an archaeologist to assess the area for potential impact on sacred lands. The consultant's report indicated that there was no infringement by LCA. Wilcox had no engagement—positive or negative—with local aboriginal groups. However, he was aware that any change in his business practice could potentially raise concerns with both the local community and aboriginal groups. Other interested local stakeholders included two not-for-profit groups: Elk River Alliance and Fernie Fly Fishing (see Exhibit 6).

On a global scale, the practice of catch-and-release fly-fishing was opposed by animal activist groups such as the People for the Ethical Treatment of Animals. The group argued that fly-fishing caused stress on the fish, as follows:

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<sup>15</sup> "Ascent's Fleet of Precision Machines," Ascent Helicopters, accessed June 1, 2017, [www.ascenthelicopters.ca/#fleet](http://www.ascenthelicopters.ca/#fleet).

<sup>16</sup> "About Wildsight," Wildsight, accessed December 2015, [www.wildsight.ca/about](http://www.wildsight.ca/about).

Fish have nerves, just like cats, dogs, and humans, so they can feel pain. Hooked fish endure not only physical pain but also terror. When they're removed from their natural environment, they start to suffocate. Studies show that many fish who are caught and thrown back into the water suffer such severe psychological distress that they actually die of shock.<sup>17</sup>

Similar concerns existed in Europe, where the Swiss government passed legislation to ban catch-and-release fishing. The general premise behind the ban was to eliminate any unnecessary pain caused to fish through the practice. Some ways to mitigate the impact to the fish included using barbless hooks and minimizing the time that the fish was handled.

## REGULATORY FACTORS

Ecotourism activities, including fly-fishing, were regulated in the province of British Columbia. Both the federal and provincial Liberal governments (at the time) supported environmental initiatives regarding greenhouse gases and the protection of water and land, including parks and protected areas. LCA had been in existence since October 2002, when a licence of occupation was granted by the British Columbia Ministry of Sustainable Resource Management. LCA's permit was retrieved with the assistance of Wilcox's neighbour and friend, geologist David McRitchie. The permit was thorough and detailed. It granted access to the Wigwam River for fly-fishing only, although LCA was able to build the facilities required to run the camp. Pathways to the river were also allowed. LCA's permit with the provincial government was coming up for renewal. It could not be transferred or altered without being rewritten, which would require a significant amount of effort and raised the potential that it could be rejected by the government.

Fishing guides (including Wilcox) were required to attain rod days from the British Columbia government to enable clients to fish. Each client that fished with a guide needed a rod day licence for each day of fishing. Individuals also required a provincial fishing licence for catch-and-release trout fishing. The fee for an annual angling licence was \$36 for a resident of the province, \$55 for a Canadian resident outside the province, and \$80 for a foreign, non-Canadian resident. The purchase of rod days was based on both a primary and secondary market. In the primary market, the provincial government held a lottery in the spring for guides to submit their applications for rod days. A guide could be granted any number of rod days, as determined by the government, at a cost of \$16 per day. However, rod days could also be purchased on a secondary market, via personal contact or through the Internet, at a premium of \$300 to the government for the transfer of the title, plus the individual seller's mark-up, which could be over \$100 per day.

Recent changes to the allocation of rod days extended the term of each rod day to 20 years, with a midpoint renewal, and unused angler day quotas needed to be returned to the government for reallocation.<sup>18</sup> British Columbia had strictly issued 150 rod days for the Wigwam River and 270 non-resident fishing permits. LCA owned 39 of these rod days, and approximately 80 more were yet to be issued. One rod day was needed for each person per day during a guided tour of the Wigwam. Therefore, the number of rod days that an operator held determined the company's ability to escort clients fishing. However, a rod day was not expended when the client chose to fish without a guide.

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<sup>17</sup> "The Cruelty of Catch-and-Release Fishing," People for the Ethical Treatment of Animals, accessed November 29, 2015, [www.peta.org/living/entertainment/the-cruelty-of-catch-and-release-fishing/](http://www.peta.org/living/entertainment/the-cruelty-of-catch-and-release-fishing/).

<sup>18</sup> Fish and Wildlife Branch Ministry of Environment Government of British Columbia, *The Wildlife Act: Managing for Sustainability in the 21st Century*, discussion paper, March 2007, accessed July 2, 2016, [www.env.gov.bc.ca/fw/wildlifeactreview/discussion](http://www.env.gov.bc.ca/fw/wildlifeactreview/discussion).

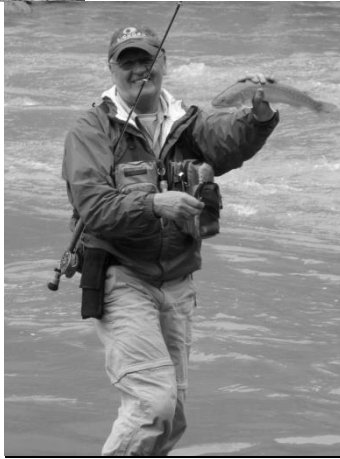


The maximum requirement for rod days that Wilcox envisioned for LCA was 60 rod days per season. As he explained, “I have always strived for about 60 rod days to fill the summer. That would allow for one week of fishing and one week off to let the river rest. Can’t handle more than that.”

## **THE DECISION**

LCA had a short time frame to decide whether to renew its existing permit with the government or resubmit it with a new business model or partner. Wilcox loved guiding and introducing people to the beauty of the Wigwam camp. However, at 70, he knew his energy for the business was starting to wane. He expected to fully retire from the business in two to five years. What was the best way to ensure that LCA’s unique service to its clients could continue, or even grow, while allowing Wilcox to exit the business with some financial reward?

**EXHIBIT 1: LOST CREEK ANGLING CO. WILDERNESS CAMP**



**Entrepreneur Bill Wilcox**

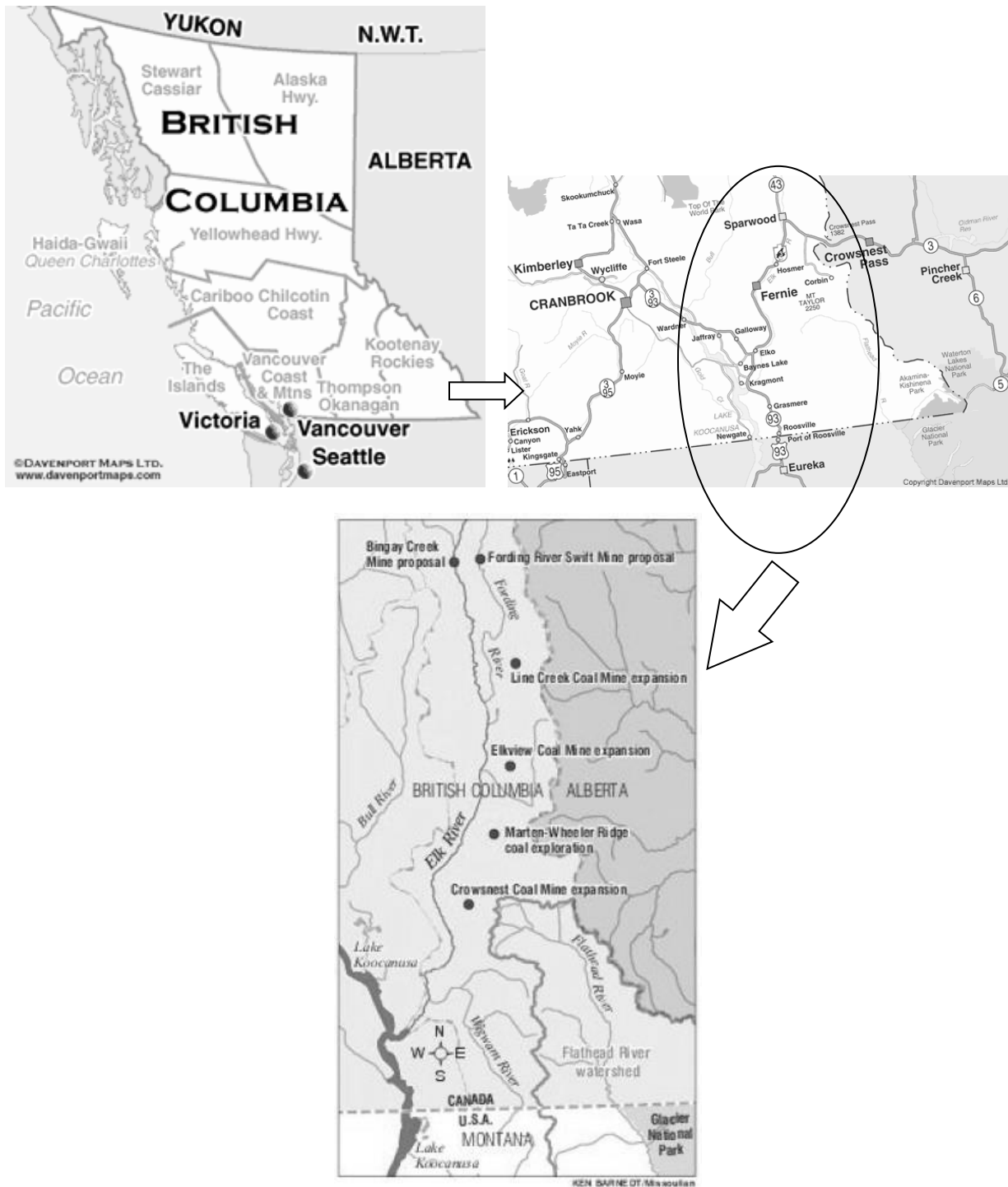
Source: Company documents.

**EXHIBIT 2: THE YURT AND KITCHEN**



Source: Company documents.

EXHIBIT 3: MAP OF THE FLY-FISHING AREA



Source: Rob Chaney, "Canada Mining Expansion Prompts Fears of Pollution Flowing into Montana," Missoulian, December 19, 2012, accessed February 15, 2017, [http://missoulian.com/news/local/canada-mining-expansion-prompts-fears-of-pollution-flowing-into-montana/article\\_050c5020-498d-11e2-b663-0019bb2963f4.html](http://missoulian.com/news/local/canada-mining-expansion-prompts-fears-of-pollution-flowing-into-montana/article_050c5020-498d-11e2-b663-0019bb2963f4.html); "Discover the Wonder & Beauty of British Columbia, Canada: Get Your Free Detailed British Columbia Road Map Today!" British Columbia Travel and Discovery, accessed January 11, 2018, [www.ourbc.com/bc\\_maps.htm](http://www.ourbc.com/bc_maps.htm).

## EXHIBIT 4: COMPETITOR DATA

Variable	Lost Creek Angling Wigwam 4-Day Trip	Montana Angler Customer Overnight Fly Fishing Camping Trip	Montana Angler Smith River Fly Fishing Trip
Price per Day (in US\$)	\$680	\$480	\$860
Length of Trip	3–4 Days	2–7 Days	5 Days, 5 Nights
Location Type	Remote	Not Remote	Remote
Catch and Release?	Yes	No	No
Flexibility in Trip Locations	Little Flexibility	Choice of Many Locations within Montana	Little Flexibility
Access Method	Helicopter	Float Down River to Camp	Float Down River to Camp

Source: Compiled by the authors.

## EXHIBIT 5: LOST CREEK ANGLING CO. CASH-BASED REVENUES AND EXPENSES, 2012–2014 (IN CA\$)

	2014	2013	2012
Revenues			
Fishing Trips (Each Line Represents One Trip)	\$1,360.15	\$1,604.80	\$319.20
	\$500.00	\$3,000.00	\$5,000.00
	\$1,500.00	\$5,000.00	\$13,634.24
	\$3,095.00	\$5,354.20	\$1,940.06
	\$13,145.47	\$10,365.24	
		\$1,369.04	
Total Revenues	\$19,600.62	\$26,693.28	\$20,893.50
Expenses			
Camp Equipment	\$2,179.64	\$1,132.53	\$10,141.12
Permits and Licences	\$5,497.07	\$4,494.58	\$3,807.19
Parts and Maintenance	\$908.85	\$1,163.41	\$1,525.32
Food and Beverages	\$1,984.77	\$2,122.33	\$2,737.72
Marketing and Advertising	\$475.78	\$496.06	\$369.38
Labour (Excludes the Owner's Time)	\$3,150.00	\$4,650.00	\$5,923.60
Helicopter	\$5,433.12	\$9,968.63	\$7,576.38
Total Expenses	\$19,629.23	\$24,027.54	\$32,080.71
Net Revenue	-\$28.61	\$2,665.74	-\$11,187.21
New Boat Purchase			\$9,510.64

Note: Financial data are approximate and not verified by a third party, so all figures should be seen only as representative.  
Source: Compiled by the authors from company documents.

**EXHIBIT 6: STAKEHOLDER INFORMATION**

The following two not-for-profit groups have a long history in the Fernie area. Instead of being regarded as competitors to LCA, these two groups can be considered potential buyers or partners. Contacting these organizations and determining their interest in LCA could prove beneficial. They would be more likely to share LCA's vision than for-profit organizations. Each description below is taken directly from the respective website:

**Elk River Alliance**

The Elk River Alliance is a community-based water group that aims to connect people to the Elk River ensuring it is drinkable, fishable and swimmable for future generations. ERA envisions a watershed where well-managed human activities result in healthy ecosystems and a robust economy.

**Fernie Fly Fishing**

Our goal is help you plan the best possible Fernie Fly Fishing adventure! We aim to connect people with our local fishery in a meaningful and personal way. We hope to inspire our guests to become more actively involved in conservation and preservation. Among anything else our biggest goal is to catch fish and have fun!

Source: "About Us," Elk River Alliance, accessed January 22, 2018, [www.elkriveralliance.ca/about](http://www.elkriveralliance.ca/about); "Our Goals: Connect, Involve, Have Fun!" Fernie Fly Fishing, accessed January 22, 2018, <http://fernieflyfishing.com/about#our-goals>.