

Business Retention and Expansion: Overview of Program and Summary of Results

Overview

Through partial funding from the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and in partnership with the North Grenville Chamber of Commerce, the Municipality of North Grenville is delivering a Business Retention + Expansion Program to North Grenville.

The Business Retention and Expansion (BR+E) program is a volunteer-driven, community-based economic development tool that utilizes local business visits to identify business opportunities and barriers and to develop an action plan to address those concerns to retain and expand business in our community.

The Municipality of North Grenville's 2010 BR+E Program has developed strong partnerships with local businesses, business support organizations and the community to achieve real results.

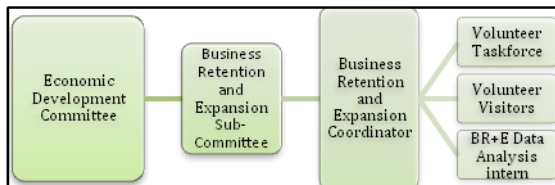
This project has given the Municipality:

- i. A better understanding and appreciation of what it is like operating a business in the Municipality and the challenges they face.
- ii. Strong input and direction from businesses on how to proceed further with business and economic development
- iii. An understanding of business needs, including the necessary information and resources required from professional organizations to address those needs.

It should be noted that all of the volunteers who participated in the Program signed confidentiality agreements to make certain that the information shared could not be linked to individual businesses. The information presented in this report and in the full dataset ensures confidentiality.

The Municipality wishes to thank all of the volunteers and the 80 businesses that made this project a success. For information on this project visit www.northgrenville.ca/BRandE.cfm or contact the Business Retention and Expansion Coordinator Teri Devine at 613-258-9569 ext. 115.

BR+E focuses on *existing* business in our community. While the attraction of new business is an important aspect of overall economic development strategies, BR+E recognizes the need to do more to assist existing business, helping them survive and grow. This is in recognition of the fact that up to 80% of new jobs in a community are created from existing businesses.



The Leadership Team is comprised of members of North Grenville's Economic Development Committee's Business Retention and Expansion subcommittee. It is made up of community leaders who have volunteered their time to oversee the project. Their leadership, dedication to the project, insight of North Grenville and a desire to improve the community allowed this program to achieve its goals and objectives.

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The leadership team canvassed community and business leaders from a wide variety of backgrounds to become part of the Volunteer Taskforce. Volunteers were selected through an application process by the Leadership Team in February 2010.

A total of forty-four volunteers were recruited during our BR+E Community Stakeholder meeting and Program launch at the end of January 2010, to conduct business visits. Throughout this process the BR+E team has had the full support of OMAFRA BR+E consultant Brian Ritchie. As well, training was provided to the Volunteer Taskforce and the Volunteer Visitors to ensure that the best possible results could be gathered. To tailor the main business survey specifically to North Grenville the BR+E taskforce submitted Community Questions to the Leadership team who had the final decision of which to include in the final survey.

Short-Term Objectives:

- Provide community support for local business through volunteer involvement
- Identify and address immediate concerns of individual business
- Let local business know how much they are valued in the community

Long-Term Objectives:

- Increase the competitiveness of local businesses
- Develop and implement action plan and implementation strategy
- Help local business manage change in the local economic environment

After building a comprehensive business inventory and developing a sampling plan, a total of 80 businesses from a variety of sectors were randomly selected for business visits within North Grenville. The 80 businesses represented a fair and equitable sampling giving the survey statistical significance. Below is the final stratified table indicating the goal amount of businesses from each sector to be surveyed and the actual number of businesses surveyed.

Sector	Goal	Total confirmed
11 - Agriculture, Forestry, Fishing and Hunting	4	4
23 - Construction	12	11
31-33 - Manufacturing	2	2
41 - Wholesale Trade	4	3
44-45 - Retail Trade	10	12
48-49 - Transportation and Warehousing	3	2
51 - Information and Cultural Industries	1	1
52 - Finance and Insurance	2	3
53 - Real Estate and Rental and Leasing	3	4
54 - Professional, Scientific and Technical Services	14	13
56 - Administrative and Support, Waste Management and Remediation Services	4	2
61 - Educational Services	1	2
62 - Health Care and Social Assistance	5	5
71 - Arts, Entertainment and Recreation	2	2
72 - Accommodation and Food Services	4	6
81 - Other Services (except Public Administration)	9	8
Total Business Visits	82	80

In July 2010, after more than 200 volunteer hours and 100 hours committed by the participating businesses, the interviewing process ended with 80 local businesses visited. The data was inputted into the data collection program *Executive Pulse* which developed our data sets. This information has provided strong input and direction on improving the economic climate of in North Grenville. This report contains the business data related to the strategies developed.

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SUMMARY OF RESULTS

Business Climate

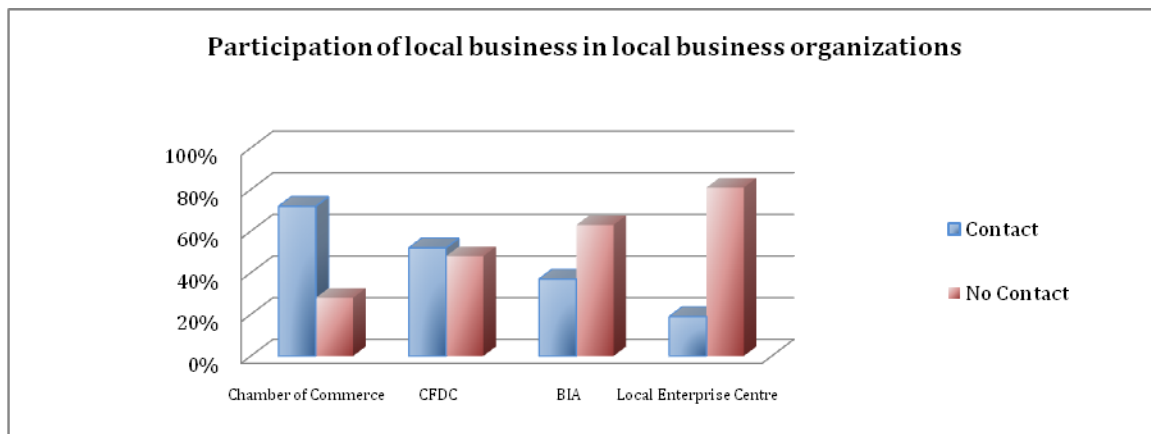
Overall, the businesses surveyed agreed that the Municipality of North Grenville is a good or excellent place in which to do business (83%).

Successes and Areas for Improvement

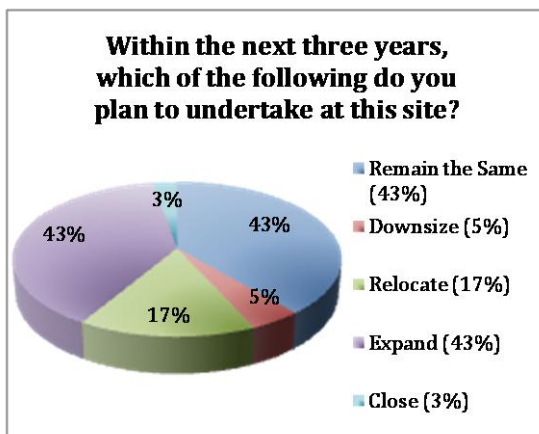
The survey highlighted key successes and areas that need to be improved within the Municipality. The business community overwhelmingly believes that key services provided in North Grenville are excellent. These services include: schools, the hospital, fire services, the OPP, recreational facilities, snow removal and garbage removal services.

Although the survey findings show an overwhelming proportion of business owners are happy with North Grenville as a place to do business there are still key factors and barriers that should be addressed. In general, the business community felt that the availability of skilled labour, water/sewage capacity, availability of financing, lack of proactive business recruitment, road and highways, lack of serviced land and a lack of available and properly zoned land.

This graph depicts the utilization of local business organizations including the Chamber of Commerce, the BIA, the CFDC and the local Enterprise Centre. Although these organizations are being used, there is significant room for improvement.



Future Plans



Over the next three years, 43% of businesses within the Municipality of North Grenville are planning on remaining the same and another 43% of businesses are planning to expand.

Of those businesses that are expanding, 97% include an increase in their workforce, while

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76% will include additional investment in equipment and technology.

Key concerns for business expansion are:

1. Financing
2. Labour Availability
3. Training

Of the 17% businesses relocating three quarters are relocating within North Grenville. Key reason for relocation is the lack of potential for expansion at the current site. Some 25% of the businesses surveyed stated that assistance was needed in finding appropriate site locations.

The 4 businesses planning to relocate outside of the community indicated there was nothing that could be done to prevent it. Similarly, there were two businesses who indicated their plans to close, but stated there was nothing that could be done alter the situation as both business owners planned to retire with no plans for succession.

Company Information

It was highlighted throughout the business visit portion of the BR+E Project that an overwhelming majority of the respondents are small-scale, independently owned and operated businesses with 97% of business owners involved in the day-to-day operations of their businesses.

It is also important to note that 79% of business owners also reside in North Grenville. In addition, 76% of the workforce employed by local business resides within the community.

An overwhelming amount of the businesses surveyed have been in the community for a significant amount of time. Of the businesses surveyed, 69% have operated in the community for over 4 years, with 36% of the businesses operating in North Grenville for over 11 years. This, once again, emphasizes the importance for an effective BR+E Program and retaining the businesses that are currently located in North Grenville.

Construction is a key employment sector within North Grenville, comprising 23% of the workforce. Professional and Scientific Services is another key employment engine making up 22% followed by Educational Services with 12% and Retail with 10%.

Business Development

Over 78% of businesses surveyed highlighted local market development as the most important business factor to ensuring they remain competitive.

Other factors highlighted include:

1. Improved customer service
2. Availability of DSL (Digital Subscriber Line)
3. Availability of labour
4. Workforce skills training
5. Energy costs

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Over 80% of businesses surveyed are small businesses with only a single location. Approximately 56% are completely satisfied with their business' current location in the community.

Of the 44% of businesses that are dissatisfied with their location 34% cited the location as being in disrepair, too small and inconveniently located for their customers.

Approximately 60% of the businesses surveyed lease their facility and of these, 46% have a long-term lease of three years more. Only 7% of the respondents anticipate problems with renewing their current lease.

Though a majority of businesses use hydro as their main source of energy, many businesses are extremely interested in using alternative sources of energy including wind, bio-diesel and solar to power their businesses. Roughly 51% of business that would prefer to use alternative sources of energy cited the cost of installation as the key factor in *not* implementing these energy sources; other reasons include the lack of availability both on site and in the community.

The most common concern about energy overall was the cost.

In terms of Information and Communications Technology (IT) 90% of businesses have some form of high speed internet (DSL, wireless, cable, satellite), though 28% of businesses would prefer to use DSL (high-speed communications over telephone lines), but do not have access to that technology.

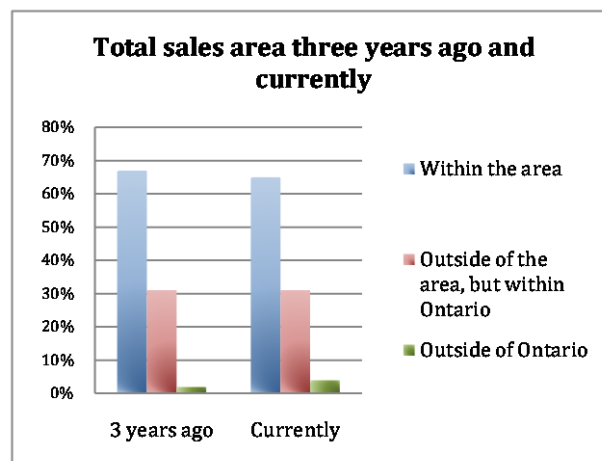
The majority of businesses use the internet as a tool for business development with 70% of those surveyed currently using their own websites as a business development tool.

Business Development: Markets

The *Business Development: Marketing* section highlights the importance of collaboration as a marketing tool. A total of 57% of the respondents are interested in collaboration, networking and information sharing, while another 45% being interested in joint marketing ventures.

Local markets were deemed extremely important to local business with 65% of business sales coming from the local market.

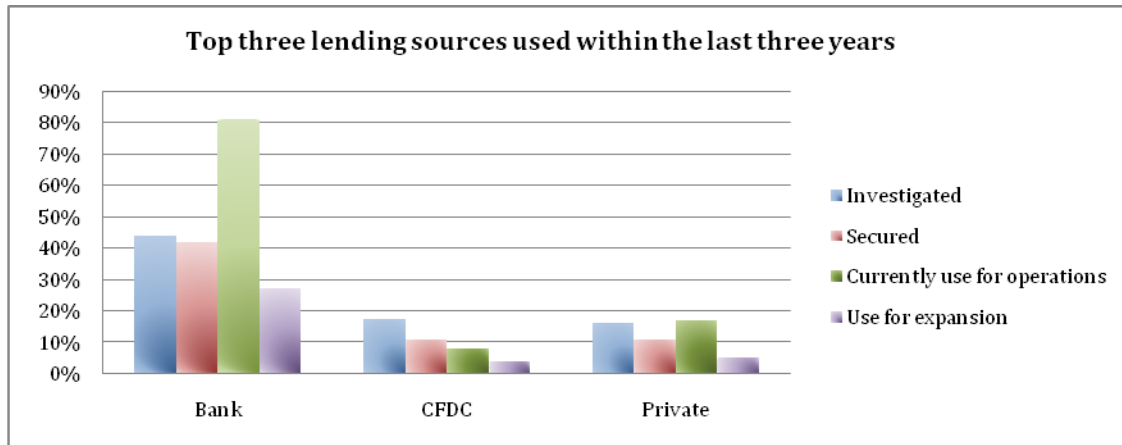
Note: 16% of businesses surveyed requested information/assistance on marketing. This data is being shared with local service providers for future program development.



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Business Development: Financial

Indications show high use of banks which is good but lack of CFDC resources may indicate the community is not aware. One of the key issues for expansion was the lack of financing available for business, greater use of the CFDC could mitigate this problem.



Workforce Development

Over the past 3 years 51% of businesses have maintained a stable workforce with an additional 37% of businesses increasing their workforce. On average the businesses that have grown have expanded by 5 employees; tallying a total of 108 jobs created by the 29 businesses over the past 3 years.

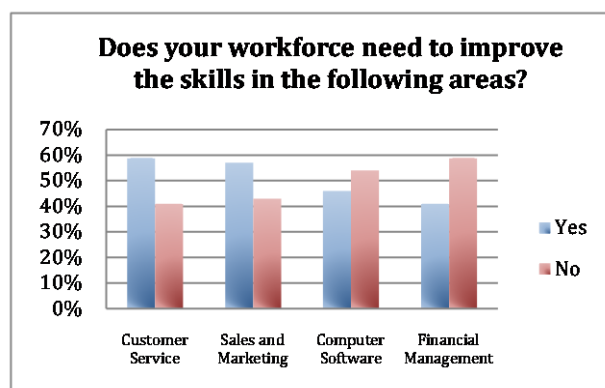
In addition to these numbers, when asked about their workforce predictions for the next three years 52% of business predict their workforce will increase, adding, on average, 3 workers per business and creating another 124 jobs.

Although these statistics emphasize the growth of the Municipality of North Grenville it must be noted that 34% of businesses have difficulty recruiting sufficient, qualified workers.

Overall, the businesses felt that the lack of qualified workers was a local issue rather than a sectoral problem.

Many of the respondents would like to improve skills development and indicated the need to increase the skills of their current workforce in the following areas:

1. Customer Service
2. Sales and Marketing
3. Computer Software
4. Financial Management



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Though businesses are interested in increasing the skills of their labour force, the majority indicate a lack of funding and availability of local training as a barrier.

Roughly 70% of the businesses visited believe that a business mentorship program would be a useful tool to enhance business competitiveness, especially in the key areas of marketing and finance. However, less than 43% of businesses surveyed are willing to take part as mentors.

Local Community

Of the businesses surveyed, 97% said that North Grenville is an excellent place to live in terms of quality of life.

The main community advantages highlighted were North Grenville's sense of community, strategic location and economic growth. Below is the comprehensive results of the advantages of conducting business in North Grenville.

Advantages to conducting business in North Grenville	# of Responses	% of Respondents
Community	54	28%
Location	48	25%
Growth	36	19%
Size of Community	18	9%
Transportation	14	7%
Lower Cost of doing business	12	6%
Customer Loyalty	5	3%
Rideau River	2	1%
Lack of commercial property	1	1%

The main community disadvantages highlighted were North Grenville's traffic and roadways, the increased cost of doing business and Municipal issues (such as lack of communication, development fees and high taxes) that need to be sorted out in terms of conducting business in the Municipality. Below are the comprehensive results of the disadvantages of conducting business in North Grenville.

3 disadvantages to doing business in North Grenville	# of Responses	% of Respondents
Traffic	25	22%
Increased Cost of doing business	22	19%
Municipality	19	16%
Size	14	12%
Too Old Fashioned	14	12%
Serviced Land	11	9%
Lack of Marketing	8	7%
Location	3	2.50%

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Although 76% of respondents know that the Municipality has a plan for economic development, over half do not think enough is being done and/or do not know what is being done by the Municipality in terms of business and economic development.

When asked how local economic development offices could best assist local business the top five responses given were:

1. Business networking sessions
2. Joint advertising and marketing
3. Marketing seminars
4. Attraction of related supply and service businesses
5. Workforce planning, employee training and attraction

Over 40% of the businesses surveyed were interested in a Business Ambassador Program for North Grenville however many did not know what this program entailed.

Community Questions

Businesses were asked what the three most significant actions that the Municipality could take to improve enhance and support business development and growth in North Grenville. The top three answers were:

1. Improve communications between the Municipality and local business.
2. Provide incentives (such as tax breaks, decrease in development charges and affordable lease space for new business).
3. Market the Municipality of North Grenville in terms of business and tourism.

Similarly, the same question was asked about the North Grenville Chamber of Commerce. The top three answers were:

1. Develop joint advertising opportunities for Chamber members and promote the Chamber within and outside the community
2. Combine emails being sent to Chamber members to decrease the volume being sent
3. Collaborate with other business associations within the community and with the municipality

Finally, businesses were asked to identify the three most significant actions the BIA could take to improve the business climate. Below are the top three identified actions: (note: 3 and 4 were of the same importance)

1. Continue the beautification process
2. Provide more joint marketing/advertising programs for members
3. Create better parking signage and increase the amount of parking in the downtown
4. Actively recruit more businesses

Statement	Frequency	Percentage of Respondents
Widen Hwy 43	15	47%
Traffic Lights where traffic circles are	6	19%
Sanders St./Rideau St. Both one ways	4	13%
More traffic circles	3	9%
Better signage	2	6%
Public Parking downtown	2	6%

When asked what could be done to improve the traffic situation in North Grenville businesses highlighted the need to widen Hwy. 43. On the left, is a comprehensive list of all traffic improvements brought forward by the businesses surveyed.

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In addition, businesses were asked about their thoughts on the Rideau Canal being designated a UNESCO World Heritage site. The question asked was: what are the benefits to having the Rideau Canal designated as a UNESCO World Heritage Site. To the right is the coded list of the responses received. Clearly, many of the businesses in the community feel that there are few benefits to the Rideau Canal having World Heritage Status.

Statement	Frequency	Percentage of Respondents
None	34	49%
Tourism	32	46%
Canal usage	2	3%
Marketing	2	3%

Statement	Frequency	Percentage of Respondents
Marketing/Promotion for Tourism	20	57%
Heighten Bridge on 43	13	37%
Downtown development	2	6%

Similarly, the businesses were asked what could be done to improve the opportunities of the Rideau Canal. Below is a list of responses by local business.

Local business is extremely interested in tourism initiatives with 86% of businesses participate in local events/festivals etc, with majority of contributions being financial.

REQUEST FOR INFORMATION/ASSISTANCE

Throughout the BR+E survey respondents had the opportunity to ask for assistance and information on particular topics.

The chart below identifies the key areas of Requests for Information/Assistance local business community was most interested in.

Description	Number of Responses	Percentage
Marketing	95	35%
Workforce Development	39	14%
Financial	37	14%
Energy Conservation	25	9%
Business Planning	19	7%
Succession Planning	19	7%
Water/Sewer Infrastructure	10	4%
Website Development	10	4%
Business Networking	9	3%
Customer Relations	7	3%

CONCLUSION

Overall, the business climate in North Grenville is very positive – businesses are growing, the workforce is expanding and development is taking place.

This does not mean, however, that there are not areas which need improvement. These have been raised throughout this summary of results. Our taskforce will now take these results and create a strategic action plan which outlines how our community can improve the local economic environment.