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YORK SMALL BUSINESS ENTERPRISE CENTRE 2009 ANNUAL REPORT AND 2010 MARKETING PLAN

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report dated January 5, 2010, from the Commissioner of Planning and Development Services.

1. RECOMMENDATIONS

It is recommended that:

1. This report be circulated by the Regional Clerk to the local municipal economic development offices and the Chambers of Commerce and Board of Trade for use in collaborative program planning.
2. Regional Council authorize the execution of 2010 funding agreements with the Provincial Government and other sponsors.

2. PURPOSE

This report delivers the 2009 Annual Report of the York Small Business Enterprise Centre to Council and presents the 2010 Marketing Plan.

3. BACKGROUND

The York Small Business Enterprise Centre advances business creation, innovation and growth in the Northern Six Municipalities

The York Small Business Enterprise Centre in Newmarket serves entrepreneurs and small businesses with 10 or fewer employees and in business for five or less years in the Northern Six Municipalities. The York Small Business Enterprise Centre complements the services provided by the other three Small Business Enterprise Centres in Markham, Richmond Hill and Vaughan which are operated independently by the respective municipalities.

All 46 Small Business Centres in Ontario partner with the Ministry of Economic Development and Trade which provides base and supplemental operational funding on a proposal approval basis.

Small businesses account for over 85 per cent of businesses in York Region and are significant contributors to the economy

York Region's Small Businesses account for over 85 per cent of businesses in York Region and are significant contributors to the Region's economy with a major impact on jobs, investment, trade, innovation and prosperity. More than 2,000 new Small Businesses are started each year, as Regional entrepreneurs respond to market opportunities. The challenging economic climate has created an increase in resident's interest in self employment opportunities.

In March 2002, Regional Council approved the establishment of the Centre at the Regional Administration Centre

Regional staff were authorized to submit an application to the Ontario Ministry of Small Business and Consumer Services for funding support to operate the Centre. A Letter of Agreement was signed between the Province and the Region in February 2003, and a Small Business Consultant was retained on contract in June 2003 to start up and manage the operation of the Centre.

Staff for 2010 consists of one permanent full time (PFT) Small Business Consultant and one PFT Small Business Assistant complimented by management and marketing services from the Economic Strategy Branch.

4. ANALYSIS AND OPTIONS

Economic impact is monitored at the York Small Business Enterprise Centre by using four numerical criteria of businesses registered, new business start-ups, business expansions, and jobs created.

Table 1 provides the economic impact obtained by the York Small Business Centre from 2008 and 2009 and the growth variance.

Table 1
York Small Business Enterprise Centre Performance Indicators 2009

Activities	Actual 2008	Actual 2009	% Variance 2008 vs 2009
Businesses registered	112	120	7 %
New business start-ups	197	262	33 %
Business expansions	18	22	22 %
Jobs created	126	139	10 %

Collaboration with the Northern Six Municipalities has intensified

The Northern Six Municipalities that the York Small Business Enterprise Centre serves (Aurora, East Gwillimbury, Georgina, King, Newmarket, and Whitchurch-Stouffville) actively market and collaborate with the Centre.

- All six municipalities hosted and marketed the Centre's workshops at their municipal offices or local chamber of commerce.
- The small business information is displayed at the six municipalities and is restocked regularly with York Small Business Enterprise Centre business information and youth development programs.
- On-call small business consulting was held in Georgina in 2009 to more effectively serve remote business start-ups. This will be continued quarterly in 2010.

Northern Six Municipalities rate the quality of services as excellent or good

A survey was conducted with the Northern Six Municipalities on the quality of services that the York Small Business Enterprise provides to the municipalities. The results were good and excellent using the following performance indicators: understanding requirements, communication including proactive response and meeting timeliness, collaboration, value for money, quality of services provided, high level of confidence in service delivery, and services have been steadily getting better since 2007.

The volunteer Advisory Group supports and promotes the York Small Business Enterprise Centre

The York Small Business Centre Advisory Group remains an integral part of the program, with members from business and government participating actively in quarterly meetings, seminars, workshops, and youth programs. The 11 members volunteered their time as mentors to the two provincial Youth Programs: Summer Company and Business Plan Challenge.

Advice and education for entrepreneurs in the early stages of business start-up and growth increased by 37 per cent in 2009

Service level output is measured by outreach to entrepreneurs and youth in all the Northern Six Municipalities. Business start-ups are serviced through general information enquiries, client consultations, and youth programs. Business innovation and growth is delivered through seminars, workshops, webinars, and conferences. The actual 2008 and 2009 participation levels are provided in *Table 2*.

Reflecting the challenging economic conditions and the increased outreach initiatives, total client contact increased by 37 per cent in 2009 versus 2008 as more individuals continue to seek self employment.

Table 2
York Small Business Enterprise Centre Service Levels

Event Participation	Actual 2008	Actual 2009	% Variance 2008 vs 2009
General Information Enquiries	12,150	16,500	36 %
Client Start-up Consultations	333	520	56 %
Workshops	135	147	9 %
Seminars	258	464	80 %
Online Webinar Registration	210	343	63 %
Annual Conference Registration	150	150	0 %
Summer Company Program	10	13	30 %
Business Plan Challenge Program	12	12	0 %
Total outreach	13,258	18,149	37%

New businesses start-up advice was provided to 520 clients from all Northern Six Municipalities

New and existing businesses are appreciative of the advice provided by the Centre, some examples of the services provided to new businesses that have started their operations in the Region are:

- Aurora: an Italian bakery received business plan development advice and successfully secured finance from their bank
- East Gwillimbury: a local Occupational Therapist received help with her business plan and multiple referrals to enable her to bring her adaptive devices to market
- Georgina: a dental placement agency received advice to start and expand into a teaching facility for dental hygienists and expanded into an association
- King: a mechanic purchased his own automotive service shop after receiving our help with business registration, a review of financials and marketing materials, and legal referral
- Newmarket: two businesses developed an electric vehicle distribution chain and solar panel installation through participating in the Green Connections Business Development Group mentoring
- Whitchurch-Stouffville: with business start-up advice, a coffee shop plans to open in Stouffville in 2010

Seminar, workshop, webinar and conference registration increased by 76 per cent in 2009 versus 2008

In 2009, there were 24 business development events including seminars, workshops, webinars and one annual conference on the green economy. These events attracted 954 participants. Event participation is increasing annually, a 61 per cent increase in 2008 versus 2007 and a 76 per cent increase from 2009 versus 2008.

The seminars run for one and a half hours and the workshops for three hours. The workshops are restricted to a maximum of 25 participants (depending upon room capacity at the municipality) and to ensure interaction of the businesses.

Seminars and workshops are rated high in satisfaction

Participants at each of the 24 events held in 2009 are requested to complete a satisfaction survey on a scale of one to ten. The average results were nine for each of event organization, quality of the presentation, time and location and overall applicability to business requirements.

In 2009 Seminar topics included instant power communications, selling on the internet, cold calling, mastering time management and strategic planning for 2010.

Workshops required participant involvement for practical stages of business development including starting a small business, marketing and sales, and building a business plan.

Sales and marketing rural outreach webinar pilot series was delivered

The Sales and Marketing webinar series was completed on March 10, 2009 with supplemental provincial funding. The topics presented in 2009 were:

- The 7 Musts of Marketing
- Detailing and Perfecting your Sales Process
- How to Keep Clients Forever and Dramatically Increase your Profits

E-Business Series funded by the province was hosted at all Northern Six Municipalities in February/March 2009

To supplement the workshops and seminars, the Ministry of Economic Development and Trade approved a proposal for an E-Business series and provided supplemental funding.

The series was held from February 25 to March 26, 2009. The Northern Six Municipalities each hosted one *Introduction to E-business for Small and Medium Sized Enterprises* seminar at their location. The introductory seminars were supplemented by

two online webinars on advanced E-business topics (*Getting Started Online* and *E-Business Marketing*) for entrepreneurs from all Northern Six Municipalities.

Annual Business Conference attracted 150 Entrepreneurs

Entrepreneurs, Innovation & the Green Economy was the theme of the 2009 Annual Small Business Conference held on January 21, 2009 at the Cardinal Golf Club in King. York Region's first issue of the *Guide to Greening Your Business* was launched at the conference.

York Small Business Television Show (YSBTv), Series Three was aired

The third-13 episode series of 30 minute duration, York Small Business Television (YSBTv) was aired in 2009. The third series of episodes is repeated in 2009 and 2010. All operating costs for YSBTV were fully covered through sponsorships. The associated website, www.yorksmallbusiness.ca had 17,302 visitors in 2009; 4,314 were new versus repeat views to the website.

Youth Program: Summer Company

Summer Company Program is a youth initiative program launched by the Ministry of Economic Development and Trade and delivered through the 46 Small Business Enterprise Centres across Ontario. The program offers students up to \$3,000 upon successful completion of their Summer Company business. The successful applicants receive two months of hands-on business training and mentoring to help with the start-up and running of their businesses.

Thirteen youth entrepreneurs earned revenue and provincial grants totalling \$143,069

Thirteen summer businesses were approved to participate in the 2009 Summer Company program operated by the York Small Business Enterprise Centre. The majority of the nine university students and four high school students were from Aurora and Newmarket. All of the program participants were in service businesses including art instruction, business consulting, driveway sealing, electronic door installation, handyman services, senior care, swim instruction and web design.

Sales revenues for the businesses were \$104,069 supplemented by \$39,000 in grants from the Ministry of Economic Development and Trade, totalling \$143,069. The Small Business Enterprise Centre secured \$18,000 in supplemental funding to help subsidize the 8 week 2009 Summer Company Program.

Youth Program: Business Plan Challenge

Business Plan Challenge was launched by the Ministry of Economic Development and Trade in 2002 to celebrate the creativity and entrepreneurial spirit of Ontario's high school students. Students from across the province submit business plans and compete for up to \$5,000 in cash awards. The program attracted 12 York Region submissions with two business plans achieving submission to the Provincial finals.

Revenue in 2009 was \$103,171 which is \$31,371 higher than budgeted

In addition to the budgeted base funding of \$60,000 from the Ministry of Economic Development and Trade, the Centre secured additional operating capital (subsidies and client fees and charges) of \$43,171 bringing the budgeted net levy to the Region down from \$78,000 to \$37,871 (as of December 31, 2009).

2010 MARKETING PLAN

The goal for 2010 is to continue to service the demand for business consultation and growth services without an increase in staff or budget. This will be accomplished through continuing to engage the municipalities, Chambers of Commerce, and the York Small Business Enterprise Centre's Advisory Group. A strategy has been implemented to provide group consultations and a quarterly business consultation satellite program in Georgina. Additional business and government revenue will be secured through Centre sponsorships and grants.

Economic Impact

Economic impact at Small Business Enterprise Centres in Ontario utilizes four numerical criteria of businesses registered, new business start-ups, business expansions, and jobs created. *Table 3* indicates the counts obtained by the York Small Business Centre from 2008, the projected 2009 increase, and the percentage variance.

The projected service targets for 2010 are based on the same service percentage increase as in 2009, indicated in *Table 3*.

Table 3
York Small Business Enterprise Centre Performance Indicators: Projected 2010

Activities	Actual 2009	Projected 2010	Projected Service Level Increase 2010 %
Businesses registered	120	125	4 %
New business start-ups	262	318	21 %
Business expansions	22	27	23 %
Jobs created	139	153	10 %

Collaboration with the Northern Six Municipalities will continue in 2010

To enhance participation in the communities the Centre serves, the Northern Six Municipalities and/or their Chambers of Commerce will continue to collaborate to promote and host the eight 2010 workshops as in 2009. The Small Business Consultant will deliver advice to start-ups in the Georgina municipal offices quarterly.

The Advisory Group includes up to 12 volunteer business entrepreneurs including one Chamber of Commerce representative and one Economic Development Officer

Members of the Small Business Enterprise Centre volunteer their time towards mentoring businesses and strategizing on Centre operations. Business members currently include manufacturers and service industry. In 2010, one municipal Economic Development Officer and one Chamber of Commerce executive will participate as a member of the Advisory Group. To ensure inclusion from all Northern Six Chambers of Commerce and municipalities, representation will be rotated annually. In 2010 the Aurora Chamber of Commerce will be a member of the Advisory Group and the Township of King will represent the Northern Six municipalities.

2010 SEMINAR, WORKSHOP, AND WEBINAR SCHEDULE

The 2010 schedule includes 7 workshops, 36 business development information sessions, two conferences and 10 green connections mentoring meetings

In 2010, the Centre will host a series of seven small business workshops and 36 business start-up sessions. The seven workshops will continue to be offered in partnership with the Northern Six Municipalities. The three-hour workshops will offer hands-on training to small groups of 15 to 25 attendees on topics that are critical to the success of small business ventures. The three hour seminars attract start-up businesses and focus on group consultations, general business topics, and provide networking opportunities.

The selection of topics was developed based on input received from a survey of the Small Business Enterprise Centre's 2,200 clients and on the Small Business Centre's goal to advance business creation, innovation and growth. The workshops focus on sales and marketing and developing marketing and business plans. Financial management and opportunities to secure capital will be addressed and developed in 2010 through the 7th Annual Small Business Enterprise Centre Conference.

Annual Business Conference theme will be "Access to Capital"

The Annual Small Business Conference will be held February 9, 2010 at the Newmarket Theatre. The conference theme is Access to Capital for York Region Entrepreneurs in accordance with the 2005 Economic Strategy to develop a conference on capital sources. The *Guide to Capital Sources for York Region Entrepreneurs* developed in 2009 was approved by Council on December 16th and will be launched at the conference.

Increased demand for business consulting in 2010 will be managed by implementing a series of group consultations

A group consultation procedure will be implemented in 2010 to address the increasing need for small business start-up consultations. These measures pre-qualify clients and save consultation time. The process is:

- Pre-start-ups or early stage idea clients must attend a free three-hour session, scheduled weekly. This will reduce informational client requirements significantly.
- Start-up businesses must prepare for the consultation by providing a mini-plan "Developing your Business Concept"
- Existing businesses must provide a list of questions prior to the consultation

The Small Business Assistant has become more involved in pre-screening the clients by providing an information form to complete with the prospective entrepreneur's concept, target market, revenue model, and value proposition.

Youth Program: Summer Company begins in February and ends in August and will be mentored by staff and the volunteer Advisory Group

The response to Summer Company is projected to result in 20 approved applications, a 54 per cent increase from 2009. Program questions and submissions are incoming from the Region's local high school students. Members of the Centre's Advisory Group will continue to be involved as volunteer mentors for the program.

Youth Program: Business Plan Challenge will be cancelled in 2010

The Ministry of Economic Development and Trade will not continue to deliver the Business Plan Challenge competition as of 2010. In exchange for supplemental funding provided for the Business Plan Challenge Youth Program, the Province will supplement the York Small Business Enterprise Centre with \$5,000 additional base funding to support the increasing demand for business start-up consultation and growth services.

Lessons Learned

The York Region Small Business Enterprise Centre will continue to experience high growth in 2010 with the current economic conditions encouraging new business start-ups, increased visibility due to the move to the 1st Floor of the Administration building, and the implementation of new projects, enhanced workshops, seminars and conferences.

With the increased demand for start-up consultations by 56 per cent in 2009 versus 2008, the Centre has implemented efficiency methodologies.

- The Small Business Assistant will become more involved in pre-screening the clients by providing an information form to complete with the prospective entrepreneur's concept, target market, revenue model, and value proposition
- The Small Business Consultant will meet with groups of start-up entrepreneurs once weekly
- Youth Programs, conferences, and new initiatives that arise throughout the year have been scheduled into the workload and will be managed well in advance

Collaboration with the Northern Six municipal economic development offices to host workshops and display small business information has enhanced media coverage and added visibility for the York Region Small Business Enterprise Centre and will continue in 2010. Chambers of Commerce and Economic Development Offices will be encouraged to collaborate with the York Small Business Enterprise Centre.

Relationship to Vision 2026

The York Small Business Enterprise Centre facilitates the growth of entrepreneurship and small business in York Region and supports the Vibrant Economy goal of *Vision 2026*.

5. FINANCIAL IMPLICATIONS

Table 4
Total 2010 Budgeted Operating Expenses

Funding Sources	Amount
York Region	\$ 82,170
Revenues: Ontario Ministry of Economic Development and Trade, fees & charges, and commercial sponsorships	\$ 74,900
Total	\$ 157,070

York Region's share of the operating cost for the Centre has been included in the approved Economic Development Budget for 2010.

6. LOCAL MUNICIPAL IMPACT

The York Small Business Enterprise Centre serves entrepreneurs and small businesses in the Northern Six Municipalities of Aurora, East Gwillimbury, Georgina, King, Newmarket and Whitchurch-Stouffville. Partnerships have been established with the centres in Richmond Hill, Markham and Vaughan to deliver programs such as Summer Company and events. These partnerships have increased the exposure of the four Small Business Enterprise Centres in York Region and have improved the efficiency and effectiveness of services delivered to small businesses in York Region as a whole.

7. CONCLUSION

The York Small Business Enterprise Centre is a member of a network of 46 Small Business Enterprise Centres across Ontario, created as a partnership between the Region and the Provincial Government (Ministry of Economic Development and Trade). The increasing number of clients served by the Centre in the Northern Six Municipalities is testimony to the entrepreneurial spirit in the Region.

It is recommended that Council continue to offer its support to the York Small Business Enterprise Centre program, and that the Regional Chair and Regional Clerk be authorized to execute the necessary funding agreements with the Province and other sponsors.

For more information on this report, please contact Sharon Végh, Program Manager, Economic Strategy at (905) 830 4444, Ext. 1509 or Patrick Draper, Director, Economic Strategy & Tourism Ext. 1503.

The Senior Management Group has reviewed this report.