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YORK SMALL BUSINESS ENTERPRISE CENTRE 2010 ANNUAL REPORT AND 2011 PROGRAM INITIATIVES

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report dated January 4, 2011, 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 2011 funding agreements with the Provincial Government and other sponsors

2. PURPOSE

This report delivers the 2010 Annual Report of the York Small Business Enterprise Centre to Council and presents the 2011 Program Initiatives.

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 (Aurora, East Gwillimbury, Georgina, King, Newmarket, and Whitchurch-Stouffville).

The York Small Business Enterprise Centre is recognized by the local municipal and provincial governments as a leader in assisting business growth and sustainability. In 2010 advice and education for entrepreneurs in the early stages of business start-up and growth increased by 12 per cent and increased 76% participation in business development events and workshops.

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.

The York Small Business Enterprise Centre is one of 47 Small Business Centres in Ontario that received base and supplementary operational funding from the Ontario Ministry of Economic Development and Trade.

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

In Ontario, more than half of all Ontarians work for small to medium size businesses representing more than 2.8 million jobs. Small to medium sized business, account for more than 40% of the economic activity in the province.

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 residents interest in self-employment opportunities.

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

In March 2002, Regional staff was authorized to submit an application for funding support to operate the York Small Business Enterprise Centre. A Letter of Agreement was signed between the Ontario Ministry of Small Business and Consumer Services and the Region in February 2003, and a Small Business Consultant was retained in June 2003 to start up and manage the operation of the Centre.

The recent reorganization of the Economic Strategy and Tourism Branch positions the Centre under the Business Development program responsible for providing leadership, services and resources to create new business development, build existing capacity and sustain the economic vitality of York Region's small business and tourism sectors.

The existing staff complement consists of two permanent full-time staff – a Small Business Consultant and Small Business Assistant supported by management and marketing services from the Business Development program.

4. ANALYSIS AND OPTIONS

Economic impacts at Small Business Enterprise Centres in Ontario utilize three numerical criteria of new business start-ups, business expansions, and jobs created.

Table 1 provides the results of economic impact and growth variance reports provided to the Ministry of Economic Development and Trade by the York Small Business Centre from 2008 to 2010. This information is obtained through the one-on-one consultations with existing businesses and entrepreneurs engaging in new start ups.

Table 1
York Small Business Enterprise Centre Performance Indicators 2010

Activities	Actual 2008	Actual 2009	Actual 2010
New business start-ups	178	183	146
Business expansions	28	51	47
Jobs created	298	345	288

According to the Ministry of Economic Development and Trade, the reductions experienced at the York Small Business Enterprise Centre are consistent with the trends across the Ontario Small Enterprise Centre network. Based on feedback from other Small Business Centres, reductions could be a result of the 2010 economic and unemployment situation and the increase in individuals who could not find a job and saw self-employment as their only option. Unfortunately, these individuals are not as committed to becoming successful entrepreneurs and were likely to move to a job as soon as one became available resulting in the 2010 performance indicators being lower than in previous years.

Advice and education for entrepreneurs in the early stages of business start-up and growth increased by 12 per cent in 2010

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 York Small Business Enterprise Centre 2008 to 2010 participation levels are provided in *Table 2*.

Reflecting the challenging economic conditions and the increased outreach initiatives, total client contact increased by 12 per cent in 2010 versus 2009 as more individuals continue to seek self-employment.

Table 2
York Small Business Enterprise Centre Service Levels

Client Interaction	Actual 2008	Actual 2009	Actual 2010
General Information Enquiries	10,649	16,441	18,088
Client Consultations	411	579	517
Workshops	135	143	137
Free Seminars	258	396	653
Annual Conference Registration	77	150	183
Summer Company Program	10	13	21
Green Connections Networking	n/a	n/a	240
Total Outreach	11,540	17,722	19,839

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

A pilot group consultation procedure was implemented in 2010 to address the increasing need for small business start-up consultations and the limited staff resources available to accommodate the demand. These measures prequalify clients by having them prepare a “Developing Your Business Concept” mini plan and they must attend a three hour group consultation session. This pre-screening approach did save consultation time but it also resulted in an 11% decrease in the number of one-on-one client consultations in 2010 vs. 2009.

The Centre saw an increase of individuals in the group consultation sessions that experienced a lay off and saw self-employment as their only option. Based on participant feedback, the information provided at the group consultations was excellent but having access to a Small Business Consultant for more one-on-one sessions was the preferred approach for establishing the long term commitment required for a successful business start-up.

Business consulting advice was provided to 517 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: A resident received business plan development advice and marketing assistance to successfully launch a TV show and cookbook. A consulting/training business for chemical analysis and statistics also opened with help from the Centre.
- East Gwillimbury: Four members of our Green Connections mentoring group won awards from the East Gwillimbury Chamber of Commerce. A local social media

- consultant won Entrepreneur of the Year. A local naturopathic clinic won for Best Community Minded Business. The groups' chairperson won for Excellence in Small Business and a solar panel installation company won for Best New Venture. Businesses continue to benefit through exposure in our green mentoring group.
- Georgina: An alternative health care clinic opened in November 2010, after receiving market research assistance. A fledgling Farmer's Market received marketing advice and continues to grow.
 - King: A local dental hygienist won Business of the Year in King and has benefited by her membership in our Green Connections mentoring group.
 - Newmarket: A yoga studio opened with start-up help and assistance with press releases. A spinal cord recovery centre hopes to open its doors in 2011 after receiving assistance and placing as a finalist in a national community fund competition.
 - Whitchurch-Stouffville: With business start-up advice, a local cafe opened its doors in Stouffville in 2010.

Seminar, workshop, networking and conference registration increased by 76 per cent in 2010 versus 2009

In 2010 there were 25 business development events including seminars, workshops, networking events and one annual conference on "Access to Capital." These events attracted 1213 participants.

Event participation is increasing annually, with over 200 per cent increase in attendance numbers since 2007. This tremendous increase has been accomplished without an increase in staffing, by partnering with other organizations and holding joint events. The Centre partnered on four major events and 12 networking events this year, which attracted 828 participants. Workshop attendance has been fairly consistent (down four per cent attendance), because they are restricted to a maximum of 25 participants (depending upon room capacity at the municipalities) to ensure interaction of the businesses. Partnering has allowed for a 76 per cent increase overall compared to 2009.

This year's event partners included: York Region's Tourism and Export programs, the Markham, Richmond Hill and Vaughan Small Business Enterprise Centres, Green Connections, the Aurora and Newmarket Chambers of Commerce, as well as significant collaboration with the northern six municipalities of York Region.

Seminars and workshops are rated high in satisfaction

Participants at each of the 25 events held in 2010 are requested to complete a satisfaction survey on a scale of one to 10. The average results were 8.7 per cent for each of event organization, quality of the presentation, time and location and overall applicability to business requirements.

In 2010 free seminar topics included a Tax Information Forum, an HST Information Seminar, an Import and Export Conference, a Green Connections Conference and Strategic Planning for 2011.

Workshops requiring participant involvement for practical stages of business development included, The One Page Business Plan, Search Engine Optimization, The Marketing Toolbox, Expanding Your Business, Developing a Marketing Plan, Thinking Outside the Big Box and Creating a Web Presence.

Also in 2010, 24 group consultations were held on “How to Start a Small Business,” attended by 166 participants. These numbers are included in the business consultation numbers, rather than the event numbers.

Annual Business Conference attracted 183 Entrepreneurs

Access to Capital was the theme of the 2010 Annual Small Business Conference held on February 9, 2010 at the Newmarket Theatre. York Region’s first issue of the *Guide to Capital Sources for York Region Entrepreneurs* was launched at the conference.

Summer Company applicants receive hands-on business training, mentoring and funding

The Summer Company Program is a youth initiative program launched by the Ministry of Economic Development and Trade and delivered through the 47 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.

Twenty-one youth entrepreneurs earned revenue and provincial grants totalling \$169,000

Twenty-one summer businesses were approved to participate in the 2010 Summer Company program operated by the York Small Business Enterprise Centre. The program participant businesses included: two photographers, two website designers, three swimming instructors, a driveway sealing operator, an outdoor street number installer, three handyman services, a music studio, a musical jingle writer, an apple i-phone application developer, two landscapers, an online jewellery retailer, a mobile hairdresser, a roofer and a painter.

Sales revenues for the businesses were \$106,000 supplemented by \$63,000 in grants from the Ministry of Economic Development and Trade, totalling \$169,000. The York Small Business Enterprise Centre secured \$28,000 in supplemental funding to help subsidize the 13 week 2010 Summer Company Program.

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 displays at the six municipalities are restocked regularly with York Small Business Enterprise Centre business information and youth development programs.
- On-call small business consulting was held quarterly in Georgina in 2010 to more effectively serve remote entrepreneurial business start-ups.

Northern six municipalities rate the quality of services as excellent or good

The economic development staff of the northern six municipalities, rate the quality of services that the York Small Business Enterprise Centre provides to the municipalities as good and excellent. The Centre was rated based on the following performance indicators: understanding requirements, communication including proactive response and meeting timeliness, collaboration, and quality of services provided.

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 10 members volunteered their time as mentors to the provincial Youth Program, Summer Company and as guest speakers to promote and engage businesses and youth involvement in the 2010 program.

Table 3
York Small Business Enterprise Centre Advisory Group Members

Type	Name	Organization
York Region	Doug Lindeblom	Director, Economic Strategy & Tourism, York Region
York Region	Brenda McGowan	Program Manager, Economic Strategy, York Region
York Region	Dan Ruby	Small Business Consultant, York Region
York Region	Pauline Nagelmakers	Small Business Assistant, York Region
Provincial	Elizabeth Cornish	Advisor, Ministry of Economic Development and Trade
Municipal	Rebecca Mustard	The Township of King
Chamber	Debra Scott	Newmarket Chamber of Commerce

Federal	Lesley Lawrence	Business Development Bank of Canada
Business	James Burgess	Synergen-X Management Consulting Inc.
Business	Vern Cunningham	Alutron Modules Inc.
Business	Shelley Lundquist	Brighter Future
Business	Stewart McLaren	Almac Conveyor Co. Ltd.
Business	Brian North	The Ellis Studios Limited
Business	Greg Short	J. G. Short Chartered Accountant
Business	Bruce Walkinshaw	Walkinshaw Business Connections

The 2011 York Small Business Enterprise Centre Program Initiatives

Looking ahead, the economic outlook is for modest to moderate economic growth, continued low inflation, only slightly higher interest rates and a strong Canadian dollar. Although economic conditions are to improve slightly in 2011, a competitive and challenging environment will continue to persist for the small and medium sized businesses (SME). Economic conditions and external factors affect the SME, but analysis shows that it takes a lot of different skills and competencies to run a viable business including management skills, skilled staff, marketing capacity, innovation, investment in new technologies and customer service.

Currently the Centre provides a variety of services to address the characteristics that influence the success rate of the SME and through the retention of additional staff resources, new initiatives are being proposed in the 2011 to assist prospective entrepreneurs find ways of coping with internal operating challenges and the external economic volatility. Additional staff resources will enhance the Centre's outreach activities, meet the one-on-one consultation demand and provide guidance to prospective entrepreneurs to pursue new innovative and sustainable development opportunities.

New initiatives proposed to assist prospective entrepreneurs

The goal for 2011 is to enhance opportunities with the N6 municipal partners and increase partnerships and involvement with community organizations. This will be accomplished by engaging the municipalities, chambers of commerce, and the York Small Business Enterprise Centre's Advisory Group in a series of new events and business entrepreneurial marketing programs plus expanding business consultation services in Georgina, King and Whitchurch-Stouffville.

To support the implementation of the 2011 program deliverables, additional business and government revenue will be secured through Centre sponsorships and grants.

Job creation funding submission for a one year pilot to enhance outreach and develop green business sector and youth entrepreneurship in 2011

The York Region Small Business Enterprise Centre has witnessed increased demand for its services since 2008. The Centre anticipates responding to an increased level of inquiries in 2011 due to the current economic conditions encouraging new business start-ups and the implementation of new projects, enhanced workshops, seminars and conferences. The Centre has managed by implementing efficiency methodologies but the securing of one additional staff complement through the Provincial Job Creation Program is necessary to diversify the program deliverables, to meet individual consultation demand and encourage new and sustainable small and medium size business start-ups and existing business growth.

A request to the Ministry of Training, Colleges and University Job Creation Funding Program will be submitted to retain one additional staff person over a one year pilot period to facilitate the development of programs that support the creation of green environmentally sustainable businesses, to create a year round Youth Entrepreneur in Business program and introduce travelling outreach counselling programs in the municipalities of Whitchurch-Stouffville and King.

Creation of an Ambassador Program to enhance the capacity of the existing Advisory Group

Eight members of the Small Business Enterprise Centre, plus one municipal economic development officer and one chamber of commerce executive participate on an Advisory Group. Business members currently include manufacturers and service industry who volunteer their time towards mentoring businesses and strategizing on Centre operations. To ensure inclusion from all northern six chambers of commerce and municipalities, representation is rotated annually. For 2011, the Newmarket Chamber of Commerce and the Town of Whitchurch-Stouffville will sit as members of the Advisory Group.

To enhance the current Advisory Group capacity the creation of an Ambassador Program (a volunteer network of local leaders) is proposed in 2011. Increasing the Centre's business advisory network is an integral component in the enhancement of the Centre's existing program, diversifying entrepreneur mentorship capabilities and the creation of new program initiatives.

Evolving Summer Company into a year round Youth In Business Entrepreneur Program is proposed

The 2010 response to the Summer Company youth program resulted in 21 approved applications, a 62 per cent increase from 2009. Program questions and submissions are incoming from the Region's local high school students beginning in February with businesses being operated through August. Members of the Centre's Advisory Group will continue to be involved as volunteer mentors for the program, and have volunteered

their time to provide information sessions to local high school entrepreneurial classes. Summer Company funding comes through the Ministry of Economic Development and Trade and may be reduced province wide in 2011. Pending funding limitations, the Centre expects to at least match the Summer Company participation rate of 21 in 2011 and with new staff resources an evolution of Summer Company into a year round Youth In Business Entrepreneur program is proposed.

2011 Seminar, workshop and client interactions

New Business Development Days and Wisdom Exchange sessions introduced to address the needs of the communities the Centre services

The Small Business Consultant will continue to deliver advice to start-ups in the Georgina municipal offices, and this wisdom exchange will be expanded to delivering advice to the businesses of the Town of Whitchurch-Stouffville and the Township of King, thrice per year respectively.

Collaboration with the northern six municipalities and their respective chambers of commerce will continue to promote and host the 2011 Workshops as in 2010. However, in 2010 and 2009, collaboration was limited to one or two workshops per municipality on singular topics. In 2011, the Centre will bring *Business Development Days* to the northern six municipalities. These will be full day events with multiple speakers and topics to address the needs of the local small business communities as identified by the local municipal economic development and chamber of commerce staff.

The 2011 schedule includes over 50 events and workshops for Small Business

In 2011, the Centre will host a series of six Business Development Day events and 26 business start-up sessions. These full day events will offer hands-on training to attendees on topics that are critical to the success of small business ventures. The events will attract start-up and existing businesses and focus on the local needs of the municipality's small business community along with offering general business topics, sales and marketing, business and financial plans while providing networking opportunities.

New for 2011, will be a Canada Day Networking event held at the York Region Administrative Centre in Newmarket. This event will be an opportunity to profile new business start-ups and the Summer Company participants.

Annual Business Conference theme will be, *Business Innovation in Changing Times*

The Annual Small Business Conference will be held February 4, 2011 at the Aurora Cultural Centre. The conference theme is *Business Innovation in Changing Times* and includes a variety of keynote speakers providing innovative business solutions. The

Hospitality First customer service toolkit approved by Regional Council in January 2011 will also be launched at the conference.

Performance Metrics

Performance of the York Small Business Enterprise Centre is projected to increase in 2011

The quality and quantity of client interactions is the key performance metric to assess the success of the York Small Business Enterprise Centre's activities. *Table 3* identifies the projected participation levels and the new activities for client engagement.

Table 4

York Small Business Enterprise Centre Performance Indicators: Projected 2011

Client Interactions	Actual 2009	Actual 2010	Projected 2011
Client Consultations	579	517	600 New staff increase consultation sessions and municipal outreach
Workshops /Seminars and Conferences	698	973	1000 Introduction of 6 Business Development days and a new Networking event
Summer Company Program	13	21	Introduction of a new Youth in Business Entrepreneur year round program
Green Connections Networking Events	n/a	240	250 Introduce entrepreneurs to new, innovative, green business practices
Advisory Group	10	10	A new Ambassador Program

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 and Enhanced Environment goals of Vision 2026. Small business development is a core component of the York Region Economic Development Strategy and the 2011 work program is aligned with the northern six municipal economic development activities.

5. FINANCIAL IMPLICATIONS

The York Small Business Enterprise Centre budget is dependent upon a mix of funding sources including: Base funding from York Region and the Ontario Ministry of

Economic Development and Trade, sponsorship and grants from outside sources, and participant fees collected from a small selection of seminars and marketing initiatives.

In 2010, the York Region Small Business Enterprise Centre total program cost was \$192,800 with recoveries from MEDT and fees amounting to \$71,800 for a net levy to the Region of \$121,000.

In 2011, the York Region Small Business Enterprise Centre total program is \$305,000 with recoveries from MEDT, sponsorship and fees amounting to \$120,000. Operations of the York Small Business Centre is a net levy cost to the Region in the amount of \$165,000. The wages for the proposed new staff complement will be covered through the Job Creation Program providing the base unemployment insurance benefits contribution and \$45,000 from York Region.

York Region's share of the operating cost for the Centre has been included in the 2011 Economic Strategy budget allocation and a 2011 funding agreement will be negotiated with the Ontario Ministry of Economic Development and Trade.

A request to the Ministry of Training, Colleges and University Job Creation Funding Program will be submitted to retain one additional staff compliment for a one year period.

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 cross promote events and programs. 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 the Region as a whole.

7. CONCLUSION

The York Small Business Enterprise Centre is a member of a network of 47 Small Business Enterprise Centres across Ontario, created as a partnership between the Region and the Provincial Government (Ministry of Economic Development and Trade).

In public forums the Ministry of Economic Development and Trade has given accolades to the York Small Business Enterprise Centre as being one their most innovative and productive Centres in the Province.

The increasing number of clients served by the Centre in the northern six municipalities is testimony to the entrepreneurial spirit in the Region. Over the past two years, the Centre has provided assistance to almost 1100 entrepreneurs resulting in 329 new business start ups, 98 business expansions and 633 jobs created. Over 1660 existing business owners and prospective entrepreneurs attended educational forums and workshops, a Green Business entrepreneur network was established and 34 youth created and operated successful companies.

Surveys facilitated at the local municipal level praise the work of the Centre and there is local municipal commitment for opportunities proposed for 2011. The additional staff proposed in 2011 increases resources to enhance the Centre's outreach activities, meet the one-on-one consultation demand and to pursue new innovations and development opportunities that will assist the growth and sustainability of the small business sector.

For more information on this report, please contact Brenda McGowan, Program Manager, Business Development at (905) 830 4444, Ext. 1553 or Doug Lindeblom, Director, Economic Strategy & Tourism, Ext. 1503.

The Senior Management Group has reviewed this report.