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YORK SMALL BUSINESS ENTERPRISE CENTRE 2008 ANNUAL REPORT AND 2009 MARKETING PLAN

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report dated February 3, 2009, from the Commissioner of Planning and Development Services.

1. RECOMMENDATIONS

It is recommended that:

1. The York Small Business Enterprise Centre program for 2009 be approved, subject to confirmation of provincial funding and Regional budget approval.
2. The Regional Chair and Regional Clerk be authorized to sign the necessary funding agreements with the Provincial Government and other sponsors, subject to review by Legal Services.

2. PURPOSE

The purpose of this report is:

- To provide Regional Council with the 2008 Annual Report of the York Small Business Enterprise Centre.
- To present the Marketing Plan for 2009.

3. BACKGROUND

The York Small Business Enterprise Centre provides assistance in the creation of new enterprises and the development of early growth stage businesses

The York Small Business Enterprise Centre in Newmarket serves entrepreneurs and small businesses in the Northern Six Municipalities and 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.

More than 2,000 new small businesses are started each year

York Region's Small Businesses account for approximately 85% 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 2009 consists of a Small Business Consultant and a Permanent Part Time Administrative Clerk.

4. ANALYSIS AND OPTIONS

2008 Annual Report

Economic Impact

The goal of the York Small Business Enterprise Centre is to advance business creation, innovation, and growth to support the economy

The economic impact of the three goals is monitored at Small Business Enterprise Centres in Ontario 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 2007 and 2008 and the growth variance.

Table 1
York Small Business Enterprise Centre Performance Indicators 2008

Activities	Actual 2007	Actual 2008	% Variance 2007 vs 2008
Businesses registered	104	112	+8%
New business start-ups	132	197	+49%
Business expansions	14	18	+29%
Jobs created	114	126	+11%

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 were fully integrated at the six municipalities and are restocked regularly with York Small Business Enterprise Centre announcements.
- On-call small business consulting was held in Georgina in 2008 to more effectively serve remote business start-ups.

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 volunteer their time as mentors to the two provincial Youth Programs: Summer Company and Business Plan Challenge.

Advice for entrepreneurs in the early stages of business start-up and growth increased by 39% and total client contact increased by 46% as more individuals seek self employment

Service level output is measured by outreach to entrepreneurs and youth in all the Northern Six municipalities. Business start-ups participate in general information enquiries, client consultations, and youth programs. Business growth through networking and learning opportunities is provided through the seminars, workshops, webinars, and conferences. The actual 2007 and 2008 participation levels are provided in *Table 2*.

Reflecting the challenging economic conditions and the outreach initiatives, total client contact increased by +46% in 2008 versus 2007 as more individuals seek self employment. Part of this growth is attributable to the move of the Centre in May 2008 to a more accessible location on the 1st Floor of the Administration building.

Table 2
York Small Business Enterprise Centre Service Levels

Activities	Actual 2007	Actual 2008	% Variance 2007 vs 2008
General Information Enquiries	8,385	12,150	+45%
Client Start-up Consultations	240	333	+39%
Workshop Participation	90	135	+50%
Seminar Participation	170	258	+52%
Online Webinar Registration	0	210	n/a
Bridges to Better Business Conference Registration	77	150	+95%
Enterprising Women's Conference Participants	100	100	0%
Summer Company Applications	18	31	+72%
Approved Summer Company Participants	7	10	+43%
Business Plan Challenge Participants	8	12	+50%
Total outreach	9,077	13,208	+46%

New businesses start-up advice is provided to all Northern Six municipalities, an example from each municipality is provided

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 retail furniture store received four consultations in the fall to secure finance, insurance information, and develop a business plan resulting in a grand opening in November.
- East Gwillimbury: attributed to guidance with business and marketing plans, a fine dining restaurant was opened in Mount Albert in January 2009.
- Georgina: requiring advice to purchase a dental placement agency, multiple consultations resulted in the business being purchased and expanded into a teaching facility for dental hygienists.
- Newmarket: a pizza franchise is scheduled to open in 2009 based on research advice for licensing, accounting referral and partnership agreement discussion.
- King: an art gallery owner has obtained a clearer focus on her business which has impacted her visibility in the community.
- Whitchurch-Stouffville: an indoor hockey training facility opened in January 2009 from discussions in October about developing the business and renting industrial space.

Seminar, Workshop and Conference participation increased by 61% in 2008

In 2008 there were six seminars, nine workshops, two webinars, and one conference. These events attracted 543 participants. Participation in the workshops, seminars, and conferences organized in 2008 compared to 2007 increased by 61%.

The seminars run for one and a half hours and the workshops for three hours. The workshops are restricted to a maximum of 22 participants to ensure interaction of the businesses.

Seminar topics are developed based on small business needs and surveys

Seminar topics included cold calling, instant power communications, selling on the internet, mastering time management, and strategic planning for 2009. Workshops required participant involvement for practical stages of business development including starting a small business, bookkeeping and taxes, marketing and sales, and building a business plan.

The province provided an additional \$16,000 in 2008 for rural outreach resulting in two initiatives being developed: a five-part webinar series and a direct mail campaign

Two webinars have been completed in 2008 and have attracted 210 participants. The pilot is scheduled for completion with the fifth webinar in March 2009. Topics include:

- Super Strategies for Super Growth
- The Best Buyer Concept
- The 7 Musts of Marketing
- Detailing and Perfecting your Sales Process
- How to Keep Clients Forever and Dramatically Increase your Profits.

The webinar series was the first presented by an Ontario small business centre. The province presented the series as a successful case study at their regional conference in December 2008.

For the direct mail campaign, the re-designed York Small Business Enterprise Centre brochure was mailed to 2,000 rural businesses and households.

Enterprising Women's Conference in March 2008 partnered with the York Small Business Enterprise Centre

For the fifth consecutive year, the Centre was a sponsor and co-organizer with the Women's Centre of York Region's Enterprising Women's Conference. The conference was held in March 2008 to coincide with International Women's Day to celebrate and recognize how much women have achieved. Other sponsors were Meridian Credit Union

and the York Region Media Group. The focus of the Enterprising Women Conference is to help women entrepreneurs learn more practical skills around business development and connect with other women in business.

Bridges to Better Business Conference held annually, had an increased participation of 50% in 2008

Entrepreneurs, Innovation & the Green Economy was the theme of the 2008 Bridges to Better Business Conference held on January 21, 2009 at the Cardinal Golf Club. Over 150 participants registered for the event, a 50% increase over 2007. York Region's first issue of the "Guide to Greening Your Business" was launched at the conference. The morning speaker sessions were complimented by five afternoon breakout sessions on topics of interest to entrepreneurs.

York Small Business Television Show (YSBTV), Series Two was aired

The second-13 episode series of 30 minute duration of York Small Business Television (YSBTV) was aired in 2008. All operating costs for YSBTV were fully covered through sponsorships.

Youth Program: Summer Company

Summer Company Program is a youth initiatives launched by the Government of Ontario, and is delivered through the Small Business Enterprise Centres across the province. 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.

Ten businesses were developed over the summer from the 31 applications received for the Summer Company Program

From the 31 applications received, the following ten summer businesses were approved to participate in the Summer Company program:

- Aurora (3): a women's magazine publication, a lawn care company, and a sporting goods manufacturer
- King: a lawn care company
- Newmarket (5): a personal trainer, a handy man contractor, an artist, a graphic artist, and a summer piano instructor
- Bradford West Gwillimbury: a structural stone and landscaping company with a strong client base in East Gwillimbury and Newmarket.

Youth Program: Business Plan Challenge

Business Plan Challenge was launched by MSBE 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 60 submissions with three business plans achieving submission to the Provincial finals.

A Pickering College Student won first place in the Region from the York Small Business Enterprise Centre

The Provincial Awards Banquet was held in Markham in November 2008. Barry Mason, a resident of Newmarket and, in 2008, a Grade 12 student at Pickering College, Newmarket, was the first place winner of the regional business plan challenge and the first runner up for the Province. His business, BED Property Services, outlined a plan to provide cottage owner exterior cleaning and maintenance services.

Funding for the Centre in 2008 was \$22,773 higher than budgeted

In addition to the budgeted base funding of \$67,000 from the Ministry of Small Business and Consumer Services, the Centre secured additional operating capital (subsidies and client fees and charges) of \$57,727 bringing the net levy to the Region down from \$38,000 to \$15,227.

2009 Marketing Plan

Economic Impact

The service targets for 2008 were surpassed by the York Small Business Enterprise Centre and the projected 2009 target increase is 10%.

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.

Table 3
York Small Business Enterprise Centre Performance Indicators: Projected 2009

Activities	Actual 2008	Projected 2009	Projected Service Level Increase %
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 will continue in 2009

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 2009 Workshops as in 2008.

The Advisory Group will remain at 11 volunteer members in 2009

Terms of reference for the York Small Business Enterprise Centre advisory group were developed in 2008 for 2009. We expect to retain the current advisory group members for 2009.

Client consultations are expected to grow in 2009 due in part to the economy, a pre-screening consultation plan has been implemented

A consultation procedure plan was developed for implementation in 2009 to address the increasing requirement for small business start-up consultations. 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 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.

These measures will pre-qualify the clients and save time for the Small Business Consultant.

2009 Seminar, Workshop, and Webinar Schedule

The 2009 schedule includes 7 seminars, 8 workshops, and 3 webinars with the topics based on the needs of entrepreneurs

In 2009, the Centre will host a series of seven small business seminars and eight workshops. The eight 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 one and half hour seminars attract 60 to 75 attendees and focus on 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 focus on the Small Business Centre’s goal

to advance business creation, innovation and growth. The topics include starting a small business, expanding your business, mastering time management, building and developing a marketing and business plan, financial management, sales and marketing including cold calling techniques, and strategic planning for 2010.

Sales and marketing rural outreach webinar pilot series, funded by the province, will be finalized by March 31, 2009

The Sales and Marketing webinar series will be completed on March 10, 2009. The remaining three of five topics to be presented in 2009 are:

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

E-Business Event Series funded with \$6,000 from the province will be hosted at all Northern Six Municipalities in February/March 2009

To supplement the workshops and seminars, the Ministry of Small Business and Consumer Services accepted a proposal for an E-Business series and will provide \$6,000.

The series will be held from February 25 to March 26, 2009. The Northern Six municipalities will each host one Introduction to E-business for Small and Medium Sized Enterprises seminar at their location. The introductory seminars are supplemented by two online webinars on advanced E-business topics (Getting Started Online and E-Business Marketing) for entrepreneurs from all Northern Six municipalities.

Enterprising Women's Conference in September 2009 will partner with York Small Business Enterprise Centre

The Women's Centre of York Region has partnered with the York Small Business Enterprise Centre for five years. In the fall of 2009 the Women's Centre will re-launch the Enterprising Women program. The 6th Annual Enterprising Women's Conference will be held in September 2009 to kick off the new program, which will focus on helping women develop business plans or workplace development skills.

Bridges to Better Business Conference planned for January 2010 will focus on sales and marketing

The Bridges to Better Business Conference is scheduled for January 2010, within the Ministry of Small Business and Consumer Services Fiscal Year. The planned conference theme is Sales and Marketing based on a client survey conducted in 2008 that indicated that 47% of the Centre's clients are interested in this topic.

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

The York Small Business Enterprise Centre expects that the response to Summer Company will result in 10 approved applications. 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 end in November and will be mentored by the volunteer Advisory Group

The Ontario Secondary School Business Plan Competition is open to all high school students in Ontario and is a great opportunity for high school students to show their creativity and entrepreneurial spirit. The Centre will commence marketing and promotion for the 2009 Business Plan Challenge in March 2009. The Region's secondary schools will be invited to participate in the 2009 challenge. The deadline for submissions is June 2009 with the provincial competition scheduled for fall 2009.

Lessons Learned

The York Region Small Business Enterprise Centre will continue to experience high growth in 2009 with the current economic conditions encouraging new business start-ups, the move to the 1st Floor of the Administration building, and the implementation of new projects, and enhanced workshops, seminars and conferences.

With the increase of clients by 46% in 2008 versus 2007, the Centre has developed project plans to address the growth of client consultation requests.

- 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 2009.

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 2009 Operating Expenses

Funding Sources	Amount
Ontario Ministry of Small Business and Consumer Services	\$ 74,900
York Region	\$ 68,000
Total	\$ 142,900

York Region's share of the operating cost for the Centre has been included in the proposed Economic Development Budget for 2009. The total net cost to the Region is proposed at \$68,000.

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 and Vaughan to deliver programs such as Summer Company and Business Plan Challenge. These partnerships have increased the exposure of the three small Business Enterprise Centres and have improved the efficiency and effectiveness of services being 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 46 Small Business Enterprise Centres across Ontario, created as a partnership between the Region and the Provincial Government (Ministry of Small Business and Consumer Services). 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.