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EXPORT DEVELOPMENT INITIATIVE 2004

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report, April 5, 2004, from the Commissioner of Planning and Development Services:

1. RECOMMENDATIONS

It is recommended that:

1. This report be received for information.
2. Clause 5.4 of Purchasing By-law No. A-00304-2002-031 be waived to allow for the extension of the contracts of Elizabeth Sendel and Tony Baker until December 31, 2004.

2. PURPOSE

The purpose of this report is to present the proposed work program of the Export Development Initiative for 2004, and to seek Council's authorization to extend the contracts of the Export Advisors until 2004.

3. BACKGROUND

The York Region Export Development Initiative has been in operation for over four years. The objective of the initiative is to assist small and medium-sized companies in York Region to develop and expand their export potentials. It is a key component of the Region's economic development program to promote economic growth and prosperity in the area. Since its inception in 2000, the Export Development Initiative has been acknowledged as a model of success in the delivery of support services to small and medium-sized enterprises. It is perceived by the Region's business community as a proactive and innovative initiative to reach out and support economic growth.

For the first three years, the program was funded by Human Resources Development Canada under the Local Labour Market Partnership Program. In order to maintain the success it has achieved in the past, the Export Development Initiative became a Regional funded initiative since 2003.

4. ANALYSIS AND OPTIONS

4.1 Export Advisors

Two Export Advisors, Elizabeth Sendel and Tony Baker, have been retained to operate the Export Development Initiative. Elizabeth Sendel was selected for the position from an open competition held in 2000. Tony Baker was retained in 2003 to replace Ken DeWolf as a result of a Request for Proposal process. Both Elizabeth Sendel and Tony Baker have extensive background and experience in marketing and business development in the private sector.

The team of Export Advisors is acknowledged as an effective and responsive resource by companies in the Region needing assistance in export-related issues. Clients have indicated that they appreciate the consistency and certainty of service offered by the Region and the Export Advisors. Attached as *Attachment 1* are samples of testimonials from some of the companies served. In order to maintain the level of success achieved by the Export Development Initiative over the last four years, it is recommended that Clause 5.4 of Purchasing By-law No. A-0304-2002-031 be waived and that the contracts of both Elizabeth Sendel and Tony Baker be extended until December 31, 2004. The total contract sum for the two Export Advisors for 2004 will be \$120,000.

4.2 Program Services

Notwithstanding the softness of Canadian export market conditions caused by the war in Iraq, the slowdown in the U.S. economy, and the U.S. border security issues, the Export Advisors have remained busy. They continued to provide the following export-related services to companies in the Region:

- Offer one-on-one consultation service to exporters.
- Provide hot-line support through telephone, fax and email services.
- Organize seminars and workshops
- Hold export clinics for new entrepreneurs and small businesses at local Business Centres and Associations.
- Undertake speaking engagements at business associations.
- Participate in trade shows, seminars and other networking events.
- Assist with export-related enquiries referred by the Small Business Enterprise Centres throughout the Region.
- Send out regular broadcast emails and faxes to promote the program.

4.3 Progress To-date

4.3.1 Client Activities

To-date, the Export Advisors have provided service to 1,255 companies on export-related issues, either through company visits, or through hotline support via email, phone or fax. A number of these companies are located outside the geographic boundaries of York Region. Responding to external enquiries is not only good customer service, it is also an indication that the Export Advisors are highly regarded as experts in the field. The value-added service provided may have the potential of attracting companies to relocate to the Region should opportunities occur in the future.

The number of companies served is estimated at approximately 83 per month, which exceeds the performance targets of 65 consultations established in the September 2003 Progress Report. The following is a breakdown of the number of client companies by municipality:

Aurora	37
East Gwillimbury	3
Georgina	1
King	9
Markham	509
Newmarket	50
Richmond Hill	213
Vaughan	364
Whitchurch-Stouffville	42

4.3.2 Seminars, Workshops and Special Events

The following are some of the seminars, workshops and events that have been held during the year:

- Co-hosted a delegation of Chinese Women Entrepreneurs in partnership with the Canadian Association of Women Executives and Entrepreneurs (CAWEE) in October, 2003.
- Hosted an Export Roundtable and participated at the York Region booth display at the *Salute to Small Business* event organized by the Small Business Enterprise Centre in October, 2003.
- Presented two seminars at the YMCA Markham Business Centre in October and November, 2003.
- Organized a U.S. Bio-terrorism Act Seminar in November, 2003.
- Participated in a Mexico Information session organized by the Innovation Synergy Centre in Markham and the International Trade Centre in November, 2003.
- Participated as member of the judging committee for Richmond Hill Chamber of Commerce's Export Award in December, 2003.
- Hosted a workshop on exporting at the Seneca College Business Centre in January, 2004.
- Delivered a presentation to the British Deputy Consul-General in February, 2004.
- Hosted a COEF (Canada Ontario Export Forum) seminar in March, 2004.
- Participated in the Celebration of Women Entrepreneurs in Markham in March, 2004.
- Participated in the Schulich International School of Business Country Presentations by co-op students in March, 2004.
- Hosted an exporting forum for YMCA Markham Business Centre and this has led to the establishment of a seminar series commencing in April through May 2004.
- Conducted the Export Corner and hosted monthly meetings at the York Region Women's Entrepreneur Awards.

4.3.4 Other Activities

Since September 2003, the Export Advisors have met with the area municipal Economic Development Officers, made presentations at Chambers of Commerce Networking Sessions, and attended other networking events.

A new Export Development brochure has been developed and over 1,700 copies have been distributed to local economic development offices, Chambers of Commerce, the Canadian Federation of Independent Business, Small Business Enterprise Centres, Information and Business/Resource Centres, and other partners. A copy of the brochure is attached as *Attachment 2*.

4.3.5 Successes

Some of the successes with export-related issues include:

- Assisted a company in securing purchase order financing through EDC thereby enabling them to ship a very large order.
- Aided a company owner in better understanding GST and PST in so far as exporting is concerned thereby helping them avoid huge overpayments in unnecessary taxes.
- Helped a locally-based company close an order with SAKS Fifth Avenue in New York, by acting as an intermediary to overcome language barrier and addressing logistical, financial and administrative issues for both parties. As a result of the intervention by the Export Advisor, this small home-based Richmond Hill company was able to ship their first of many future orders to a large American Retailer.
- Assisted a manufacturing company in locating the appropriate trade show.
- Located a freight forwarder for a client to deal with issues related to the US. Bio-terrorism Act.
- Assisted a company with product liability and U.S. taxation issues.
- Introduced a number of companies to the trade commissioner services.

4.4 Workplan for 2004

4.4.1 Seminars and Special Events

One of the objectives of the Export Development Initiative is to assist companies with market expansion or diversification, and this has become more imminent with the recent tightened security at the U.S. border. As a result, a series of four Market Diversification Seminars will be held in 2004 to assist companies with looking at other world markets as their export target. The proposed seminars are:

- April 21 - Europe and the New EU Member Countries
- June 3 – Asia-Pacific
- September 22 - Middle East
- November 17 – Latin America

As a corollary to market diversification, staff is also pursuing the possibility of hosting an International Trade Day either in the Fall of 2004, or in the Spring of 2005.

For those companies who are still interested in exporting to the U.S., a NEBS (New Exporters to Border States) Seminar will be held in May to familiarize them with the policies, procedures and logistics of exporting to that market.

4.4.2 Other Activities

The following three projects proposed in the 2003 Workplan will be implemented in 2004:

- Export Newsletter – Two issues will be published during the year.
- Export Survey – A survey of 75-100 companies will be undertaken in the Fall to assess the effectiveness of the program and to solicit interest for future activities.
- Execution of Strategic Alliances with Canadian Manufacturers and Exporters and the Schulich School of Business.

The Export Advisors will continue to provide consultation and hotline support services to companies to increase their awareness of export opportunities, enhance their capabilities to address export-related issues, and secure export sales. The target service level for 2004 is 85 companies per month. Participation at external trade shows and networking events to increase visibility of the program will also be part of the Export Advisors' mandate.

4.5 Partnerships

Staff and the Export Advisors will maintain existing partnerships with agencies such as Ontario Export Inc., the COEF partnership, area municipal economic development offices, Chambers of Commerce and Boards of Trade, the Innovation Synergy Centre in Markham, the Canadian Manufacturers and Exporters (CME), the Schulich School of Business, and the other service providers. At the same time, the team will continue to develop new partnerships with other groups and organizations.

4.6 Relationship to *Vision 2026*

The Export Development Initiative promotes business growth and supports the Vibrant Economy Goal as stated in *Vision 2026*.

5. FINANCIAL IMPLICATIONS

Funding for the Export Development Initiative has been included in the approved Economic Development budget for 2004. The net cost to the Region will be \$90,000 for 2004. Staff will continue to pursue sponsorship and other partnership/funding opportunities to offset the cost of operating this program.

6. LOCAL MUNICIPAL IMPACT

The Export Advisors will continue to work with local municipal economic development offices and Chambers of Commerce/Boards of Trade to promote and implement the

program. Increasing export and trade opportunities across the Region will benefit all municipalities.

7. CONCLUSION

The Export Development Initiative has been in operation for over four years. There has been positive feedback from the client companies about the proactive and constructive approach to the program. It is recommended that the program be continued and that the contracts of the Export Advisors be extended until December 31, 2004.

The Senior Management Group has reviewed this report.

(A copy of the attachment referred to in the foregoing has been forwarded to each Member of Council with the May 5, 2004 Planning and Economic Development Committee agenda and a copy thereof is on file in the Office of the Regional Clerk.)