

6

YORK SMALL BUSINESS ENTERPRISE CENTRE 2011 ACTIVITY REPORT AND PROPOSED 2012 PROGRAM INITIATIVES

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report dated October 5, 2011, from the Acting 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. Council authorize the execution of 2012 funding agreements with the Provincial Government and other sponsors.

2. PURPOSE

This report delivers an overview of the activities of the York Small Business Enterprise Centre (YSBEC) and the proposed 2012 program initiatives for Committee and Council's consideration.

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 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.

The York Small Business Enterprise Centre is recognized by the local municipal and provincial governments as a leader in assisting business growth and sustainability. The Centre provides advice and education for entrepreneurs in the early stages of business

start-up and growth through one-on-one consultations and business events and workshops.

The York Small Business Enterprise Centre compliments 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.

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 per cent of the economic activity in the province.

In York Region small businesses account for over 85 per cent of businesses 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.

The York Small Business Enterprise Centre provides services that directly impact new company formation, business growth, job creation and the development of an entrepreneurial spirit in the Region. These are all key elements of increased economic vitality.

Small Business Enterprise Centre's operations are hosted at the Regional Administration Centre

In March 2002, Regional staff were 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 the centre was opened.

Today the centre operates with three permanent full-time staff – two Small Business Consultants and Small Business Assistant supported by management and marketing services from the Business Development program of the Economic Strategy Branch. The second Small Business Consultant position was approved in the 2011 Budget and hired in September of 2011 to address steady significant increases in demand for the services provided, to permit the extension of outreach service delivery directly into Northern Six (N6) communities, and to expand the successful youth-focused Summer Company Program into a full-year youth entrepreneur 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. All 2011 figures in this report reflect results to the end of September.

Table 1 provides the results of economic impact and growth reports provided to the Ministry of Economic Development and Trade by the York Small Business Centre from 2009 to 2011. 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 2011

Activities	Actual 2009	Actual 2010	Projected 2011
New business start-ups	183	146	115
Business expansions	51	47	15
Jobs created	345	288	200

Based on third quarter results with projections to year end 115 new business start-ups are projected, business expansions are projected at 15 and jobs created at 200. One-on-one consultations are down however total consultations including group consultations and those handled by the Small Business Assistant are up.

Beginning in October, our new second Small Business Consultant is now a part of the team. Numbers should again increase, as staff levels have returned to a reasonable level to support the demand for one-on-one individual consultations.

Advice and education for entrepreneurs in the early stages of business start-up and growth rose by 13 per cent in 2011

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 2009 to 2011 participation levels are provided in *Table 2*.

Reflecting the challenging economic conditions and the increased outreach initiatives, total client contact is projected to be 22,442 by year's end. This is a 13 per cent increase in client interaction in 2011 versus 2010 as more individuals continue to seek self-employment.

Table 2
York Small Business Enterprise Centre Service Levels

Client Interaction	Actual 2009	Actual 2010	Projected 2011
General information enquiries	16,441	18,088	20,144
Client consultations	579	517	419
Workshops	143	137	283
Free seminars	396	653	238
N6 conference series registration	n/a	n/a	885
Annual conference registration	150	183	140
Summer company program	13	21	23
Green connections networking	n/a	240	310
Total outreach	17,722	19,839	22,442

Increased demand for business consulting in 2011 was managed by group consultations and stringent client screening

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 a 19 per cent decrease in the number of one-on-one client consultations in 2011 vs. 2010. A new Small Business Consultant has been hired to better serve the small businesses of northern York Region effective September 26, 2011 and a return to previous levels is expected by year end.

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. The second Small Business Consultant will help to achieve the goal of more successful business start-ups for the final quarter of 2011 and beyond.

Business consulting advice was provided to 314 clients in the first three quarters of 2011 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 local music school signed its lease after receiving business planning assistance and help achieving their financing. Their grand opening will be held in

- October or November, 2011. A local TV personality received assistance and started their own newsletter.
- East Gwillimbury: A local landscaper started a business delivering fresh farm produce, locally grown, to customers on a weekly basis. An American Wings franchise opened in September, after receiving assistance on Canadian business regulations.
 - Georgina: A farmers market continues to thrive in town, after receiving business planning assistance from the centre. A local social media consulting firm, started through the 2011 Summer Company program, expanded into five branches in London, Guelph, Hamilton, Kingston and Toronto.
 - King: A 2011 Summer Company student started an organic fertilizer business, earning over \$20,000 in revenue this past summer. A local accountant has seen tremendous growth in their business since becoming treasurer of our Green Connections networking group.
 - Newmarket: A partnership in a local women's centre initiative resulted in 12 women starting businesses this summer. A local martial arts studio for the deaf began marketing its classes. A local yoga studio received marketing assistance and appeared in several local newspapers and on Rogers TV. A local landscaper benefited has started a monthly newsletter.
 - Whitchurch-Stouffville: A local café that received assistance in opening in 2010, won "new business of the year" at the Whitchurch-Stouffville Chamber of Commerce annual awards in 2011.

A new N6 Conference Series 'Business Innovation in Changing Times' attracted significant attendance and profile to the overall program

In 2011, the Small Business Enterprise Centre partnered with the Newmarket Chamber of Commerce, the Business Knowledge Initiative, and the other Boards, Chambers, and economic development offices across the N6 to jointly deliver the 'Business Innovation in Changing Times' Conference Series. Designed to provide actionable strategies and resources that business owners can use to help grow their business, each event included key note speakers, breakout sessions, panel discussions, vendor exhibits, quick tips and tricks, and networking opportunities. One event was held in each of the N6 communities as follows:

Town of Newmarket – Friday May 6
Town of Georgina – Tuesday May 31
Town of East Gwillimbury – Wednesday September 28
Township of King – Friday October 21
Town of Whitchurch-Stouffville – Wednesday November 9
Town of Aurora – Thursday December 1

In previous years the Small Business Enterprise Centre delivered half day workshops to businesses in various locations across the N6. By partnering with the Newmarket Chamber and others, the 2011 Series was expanded to full day events, attracting

significant private sponsorship support and a host of top-flight speakers, including such notables as Arlene Dickinson of “The Dragon’s Den.” The Series itself attracted in excess of 500 attendees in the first three events, with three more to come in the fourth quarter. The September 28 event at Silver City in East Gwillimbury was attended by over 300 registrants.

In 2011 there have been 31 business development events so far, including seminars, workshops, networking events and one annual conference on “Business Innovation in Changing Times” The success of this year’s conference spawned the “N6 Business Innovation in Changing Times” conference series and three of six conferences have been held in the series to date. Collectively, these 31 events have attracted 1,281 participants, with 12 more events scheduled for the final quarter of 2011, bringing the yearly total to 43 events.

This year’s event partners included: York Region’s Business Development and Export Programs, the Markham, Richmond Hill and Vaughan Small Business Enterprise Centres, Green Connections, the Aurora, East Gwillimbury, Georgina, King, Newmarket and Whitchurch-Stouffville 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 events held in 2011 are requested to complete a satisfaction survey on a scale of one to 10. The average results were over 85 per cent for each of event organization, quality of the presentation, time and location and overall applicability to business requirements.

In 2011 free seminar topics included, How to Start a Small Business, Doing Business with SBEC’s, Art’s Exposed conference seminar delivery, Dirt the movie and monthly guest speakers at our Green Connections meetings.

Workshops, which include a nominal admission fee included, our annual “Import / Export” conference, with 118 participants and “Business Planning for Artists” a three part series, which witnessed 65 clients attend the first of three sessions, with two more to come by year end.

Also in 2011, 13 group consultations were held on “How to Start a Small Business,” attended by 105 participants.

Annual Business Conference attracted 140 Entrepreneurs

“*Business Innovation in Changing Times*” was the theme of the full day 2011 Annual Small Business Conference held on February 4, 2011 at the Aurora Cultural Centre, attracting 140 attendees. Going forward, the success of the N6 Conference Series and associated resource requirements have prompted staff to forego a separate Annual

Business Conference in favour of assigning one of the N6 Series as the Annual Conference. As Small Business Week in Ontario falls in October each year, the October 21, 2011 Series event in the Township of King was designated as the annual conference. The plan is to make the major October event the Centre's annual conference on a regular basis. The importance of designating an event as the annual conference is that the Ministry of Economic Development and Trade provides specific funding for each of the four Centres' annual 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-three youth entrepreneurs earned revenue and provincial grants totalling \$219,680.58

Twenty-three summer businesses were approved to participate in the 2011 Summer Company program operated by the York Small Business Enterprise Centre. This represents the largest Summer Company program in the Province's Central Region, which includes the Greater Toronto Area and the regions north to Collingwood and Bracebridge.

The program participants businesses included: three photographers, three website/graphic designers, four swimming instructors, four handyman services, a music teacher and entertainer, three landscapers, two painters, a retail company that sells training gear, a computer technician and a car detailing company.

Sales revenues for the businesses were \$150,680.58 supplemented by \$69,000 in grants from the Ministry of Economic Development and Trade, totalling \$219,680.58. The York Small Business Enterprise Centre secured \$30,000 in supplemental funding to help subsidize the 13 week 2011 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, King, and Whitchurch-Stouffville in 2011 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 nine members as indicated in *Table 3* volunteer 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 2011 program.

Table 3
York Small Business Enterprise Centre Advisory Group Members

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

To ensure inclusion from all northern six chambers of commerce and municipalities, representation for the Municipal and chamber positions is rotated annually. For 2012, the East Gwillimbury Chamber of Commerce and the Town of Georgina will sit as members of the Advisory Group.

The 2012 York Small Business Enterprise Centre Program Initiatives

Looking ahead, the economic outlook is for modest economic growth, low inflation and interest rates and a Canadian dollar hovering below par with the U.S. Dollar. 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.

In 2012 the Centre will continue to provide the high quality and impactful services of 2011, and look to fully capitalize on the new resources added to the centre in the last quarter.

New initiatives proposed to assist prospective entrepreneurs

The goal for 2011 was to enhance opportunities with the N6 municipal partners and increase partnerships and involvement with community organizations. This goal was 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.

Successful collaborations in 2011 include:

- Partnering with all nine York Region municipalities and the southern three Small Business Enterprise Centre's (SBEC's) to host monthly Green Connection mentoring group meetings
- Partnering with the southern three SBEC's and York Region Export to host our annual Import / Export conference
- Partnering with the Vaughan SBEC in delivering information seminars to the RBC
- Participating in the "Arts Exposed" conference with the York Region Arts Council

- Successfully bringing together all six northern York Region municipalities and their respective Chambers of Commerce to collaborate on the “N6 Business Innovation in Changing Times” conference series
- Partnering with the Women’s Centre of York Region on their Enterprising Business Incubator pilot program
- Wisdom Exchange consultations in the Town’s of Georgina, King and Whitchurch-Stouffville
- Partnering with the Richmond Hill and Vaughan SBEC’s to deliver the “Business of Art” seminar series

To support the implementation of the 2011 program deliverables, additional business and government revenue was secured through Centre sponsorships and grants. For the N6 Business Innovation in Changing Times series, several sponsors were secured to help sustain the series costs. Series Sponsors include:

- Briars Resort
- Canada Business Ontario
- Constant Contact
- Creative Marketing Synergy
- IBM
- Ministry of Economic Development and Trade
- Prism Interim Management Solutions
- ROCG Consulting
- SBLR LLP Chartered Accountants
- Southlake Community Futures
- TEC Canada
- Treefrog Interactive Inc.
- Workforce Planning Board of York Region

The goal of enhancing partnership opportunities with the N6 municipal partners and increasing partnerships and involvement with community organizations was successfully achieved in 2011. The goal for 2012 is to continue these successful collaborations while bringing client consultation levels back to 2010 levels. This will be accomplished through the additional staff resources available effective September 26, 2011.

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

A new Ambassador Program is being developed in the fourth quarter of 2011 for implementation in 2012. 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 addition of a second Small Business Consultant in the fourth quarter of 2011 has allowed for the planning of a year round Youth Entrepreneurship Program for implementation in 2012. The year round program will include an expanded Summer Company Program with a target of 25 student entrepreneur participants.

2011 SEMINAR, WORKSHOPS 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 continues to deliver advice to start-ups in the Georgina municipal offices, and this wisdom exchange was expanded in 2011 to deliver advice to the businesses of the Town of Whitchurch-Stouffville and the Township of King, twice per year respectively. This service will continue for 2012.

Collaboration with the northern six municipalities and their respective chambers of commerce will continue in 2012 as in 2011. In 2012, the Centre will continue to bring *Business Development Days*, (marketed as the N6 Business Innovation in Changing Times conference series) to the northern six municipalities. These will continue to 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.

2012 schedule includes over 45 events and workshops for Small Business

In 2012, 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 2012, 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.

PERFORMANCE METRICS

Performance of the York Small Business Enterprise Centre is projected to increase in 2012

With the success of the Business Innovation in Changing Times conference series, one-on-one client interaction dropped due to limitations in staff resources. With the addition of the second Small Business Consultant in late 2011, these interactions will increase in the final quarter of 2011 and 2012. *Table 4* identifies the projected participation levels and the new activities for client engagement.

Table 4
York Small Business Enterprise Centre Performance Indicators Projected
2011 and 2012

Client Interactions	Actual 2010	Projected 2011	Projected 2012	Comments
Client Consultations	517	419	600	New staff increase consultation sessions and municipal outreach
Workshops /Seminars and Conferences	973	1856	1500	Continue outreach at reasonable levels, as 2011 numbers are 266% higher than 2009 levels (698 attendees)
Summer Company Program	21	23	25	Introduction of a new Youth in Business Entrepreneur year round program
Green Connections Networking Events	240	310	310	Introduce entrepreneurs to new, innovative, green business practices

Link to Key Council-approved Plans

The York Small Business Enterprise Centre facilitates the growth of entrepreneurship and small business in York Region and directly supports the growth and formation of companies and the creation of jobs. This directly supports the objectives in the “Increasing the Economic Vitality” section of the 2011–2015 Strategic Plan.

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 Ministry of Economic Development and Trade (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.

York Region's share of the operating cost for the Centre has been included in the 2012 Economic Strategy budget allocation and a 2012 funding agreement will be negotiated with the Ontario Ministry of Economic Development and Trade.

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 three years, the Centre has provided assistance to over 1,500 entrepreneurs resulting in 445 new business start ups, 111 business expansions and 832 jobs created. Over 3,500 existing business owners and prospective entrepreneurs attended educational forums and workshops, a Green Business entrepreneur network was established and 57 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 2012. The additional staff acquired in the final quarter of 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 Doug Lindeblom, Director, Economic Strategy (905) 830-4444, Ext. 1503.

The Senior Management Group has reviewed this report.