

2021 HURON COUNTY BUSINESS RETENTION & EXPANSION PROJECT

MAIN SURVEY DATA SUMMARY REPORT



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What is a BR&E?

Background

An internationally recognized economic development tool, first introduced to Ontario in 1998 by the Ontario Ministry of Agriculture, Food, and Rural Affairs (OMAFRA), the business retention and expansion program (BR&E) is a community-based initiative intended to foster local businesses' and economic growth.

An action-oriented approach to economic development, the BR&E plan focuses on nurturing existing businesses, and prioritizing community efforts. BR&E fosters economic development by learning more about challenges and opportunities to retaining and growing businesses and developing action plans to address these concerns as part of the community's economic development strategy.

Objectives

The Huron County BR&E Project was guided by the following objectives:

Short Term Objectives:

- Build and improve relations with existing businesses
- Build capacity within the community and strengthen relationships between organizations
- Identify the positive and negative attributes of the community as a place to do business
- Identify and address immediate concerns and issues of individual businesses through an assessment and referral process
- Let existing businesses know how much they are valued in the community
- Collect business and market data to support economic development planning
- Establish and implement a strategic action plan to support existing businesses

Long Term Objectives:

- Strategic economic development plans to support businesses
- Increase the competitiveness of existing businesses
- Enable business development, investment, job creation and growth
- Foster and enhance the environment for business development

Why Undertake a BR&E Project?

Existing businesses are already invested in the community

It's important to leverage the fact that existing businesses are already established and invested in the community. Studies have shown that anywhere between 74% and 90% of new jobs within a community come from existing businesses. Furthermore, it is much easier and less expensive for a community to retain existing businesses than to attract new businesses to the community.

BR&E Projects can provide an early warning system

Businesses in every community close each year for a variety of reasons. This year it has only been worsened by the COVID-19 pandemic. Some of these closures could be averted if the businesses were connected with the existing support resources such as our Economic Development programs and services.

Importance of an economic recovery from COVID-19 pandemic

This is an ideal time to check in with the Huron County business community to learn of what the new business needs are as a result of the impacts of the COVID-19 pandemic. The feedback we receive from businesses will be essential in developing an economic recovery strategy.

Huron BR&E COVID-19 Adaptations

The Huron BR&E Project needed to adapt to the social restrictions that came with the COVID-19 pandemic. Among those adaptations include:

Typical BR&E

1. In-person interviews
2. Volunteer record answers
3. Volunteers return completed surveys to project coordinator
4. Surveying timeline is short and highly intensive

Huron BR&E

1. Surveys mailed to businesses
2. Volunteer connected over the phone and supported respondents as needed
3. Business owners completed and returned survey via pre-paid mail
4. Surveying timeline was longer and less demanding with multiple mail-outs

Identified Survey Themes

The results of the BR&E survey have highlighted a number of high-level themes.

Planning along the business lifecycle (start up, growth and succession);

Staffing challenges;

Improved energy, housing, broadband and transportation; and,

Business support and training opportunities.

Data Summary

Profile of Respondents

Over the course of 6 months, 723 surveys were collected from Huron County businesses across all nine lower-tier municipalities and spanning various sectors, resulting in a 21% response rate (see figure 1).

Municipality	Surveys	Total business count	% of Municipal businesses	% of total return
ACW	48	310	15.5%	6.6%
Bluewater	83	403	20.6%	11.5%
Central Huron	96	460	20.9%	13.3%
Goderich	72	355	20.3%	10%
Howick	38	197	19.3%	5.3%
Huron East	137	577	23.7%	18.9%
Morris-Turnberry	54	270	20%	7.5%
North Huron	68	258	26.4%	9.4%
South Huron	99	530	18.7%	13.7%
Unknown	28	N/A	N/A	3.8%
Total	723	3,360	21.5% (avg)	100%

Figure 1

Agriculture businesses led responses with 38% of respondents indicating they are an agriculture business. These agriculture businesses include primary producers as well as businesses along the value chain. There were 65 businesses that did not identify what sector (NAICS code) they fall under (see figure 2).

Sector by NAICS Code	Main Survey Count	%
Agriculture	276	38%
Retail	79	11%
Manufacturing	41	6%
Construction	41	6%
Accommodations & Food Services	34	5%
Health Care & Social Assistance	30	4%
Finance & Insurance	21	3%
Arts, Entertainment and Recreation	15	2%
Other Services	48	6%
Other	73	10%
Unknown	65	9%
Total	723	100%

Figure 2

Business Information

Ownership

Which of the following best describes your business?

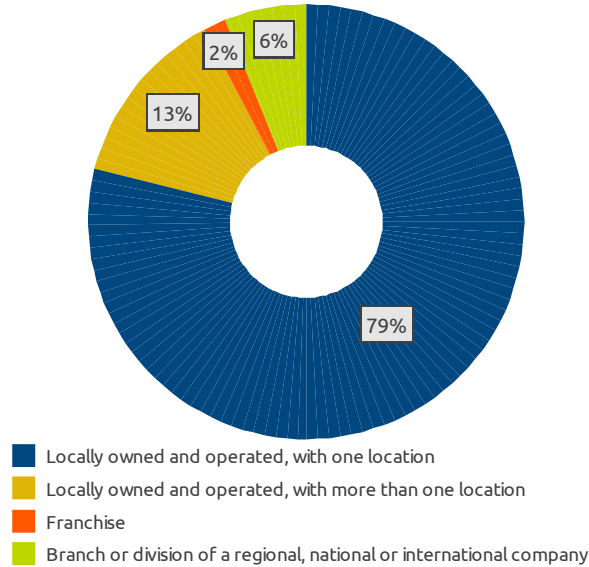


Figure 3

Huron county is dominated by locally owned and operated businesses, making up 92% of business respondents (see figure 3).

94% of business respondents have at least one of the primary owners involved in the day-to-day operations of the business with 89% of businesses having at least one of the owners a resident of Huron County.

Business Plans

The survey revealed that 60% of business respondents do not have a business plan with 57% of those with a business plan had not updated it in at least 5 years.

Years in Business

How many years has your business been in operation in this community:

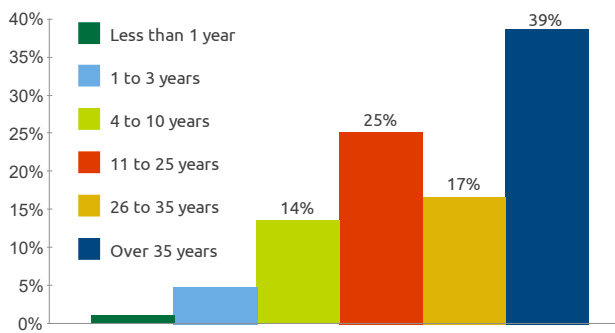


Figure 4

How many years has the current owner(s) been operating this business:

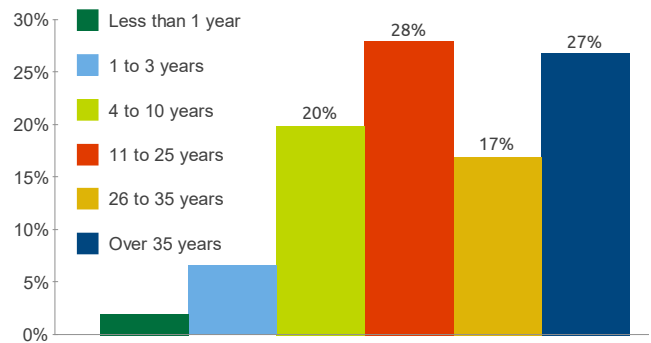


Figure 5

The Huron County business community is well established with a majority of businesses having been in operation for 11 years or more and with current owners operating their business for 11 years or more (see figures 4 & 5). Agriculture businesses make up 58% of businesses with the current owner(s) operating the business for over 35 years, indicating agriculture is the most mature sector.

Business Size

A significant majority (89%) of the businesses surveyed have 19 or less employees, with 67% of those having only between 1 and 4 employees, including the owner.

Primary Markets

The primary market of your business is:

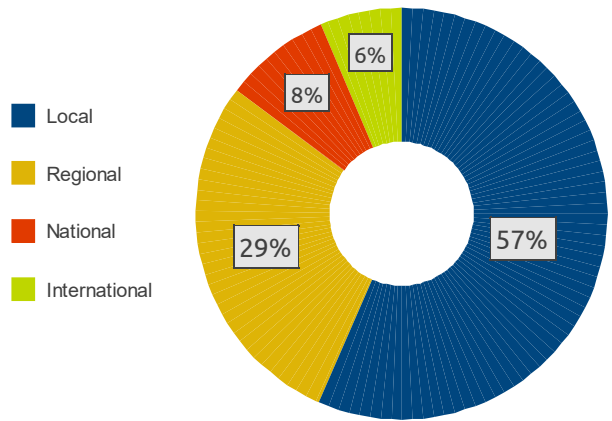


Figure 6

A majority of businesses surveyed primarily serve local or regional markets. Only 14% of those surveyed market outside of the province (see figure 6).

Doing Business in Huron County

What is your general impression of Huron County as a place to do business?

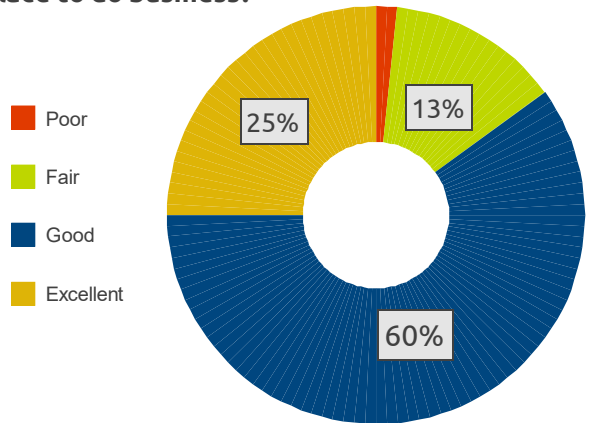


Figure 7

Attitude towards Doing Business in Huron County

There are signs of stability in the attitude towards doing business in Huron county as 72% of business respondents indicated no change in attitude over the past 3 years.

Changes in Attitude

15% of respondents experienced a positive shift in attitude towards doing business in Huron County as a result of community growth, support and an improved business climate. Respondents also felt doing business in Huron County provided them with a high quality of life, and are happy with the availability of health and medical services. Businesses also feel well supported in their community by local residents and other businesses (see figure 8).

Advantages to doing business in Huron County

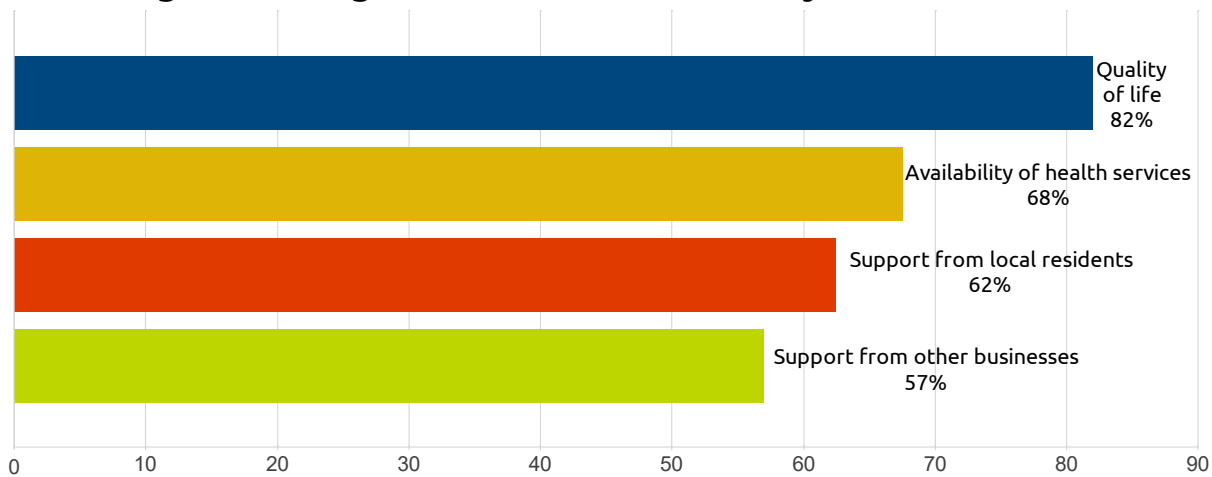


Figure 8

13% of respondents indicated a negative change in attitude, attributing this change to challenges with government processes and regulations (red tape), views on taxes and the current political climate, along with a feeling that there is a lack of community support. Challenges to doing business include the availability of adequate housing for staff, availability of natural gas (commonly identified by agriculture businesses), and costs of land (see figure 9).

Challenges to doing business in Huron County

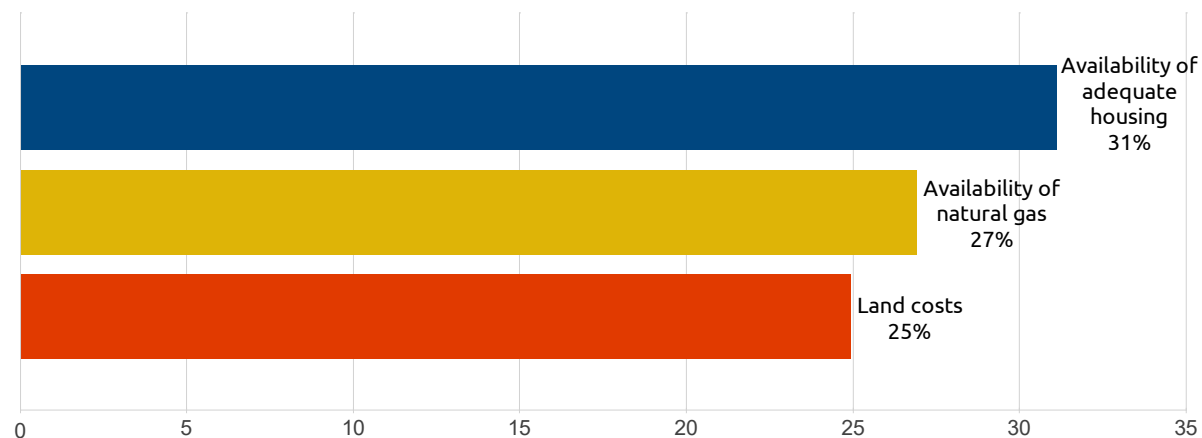


Figure 9

Future Business Plans

Within the next 18 months, do you plan on:

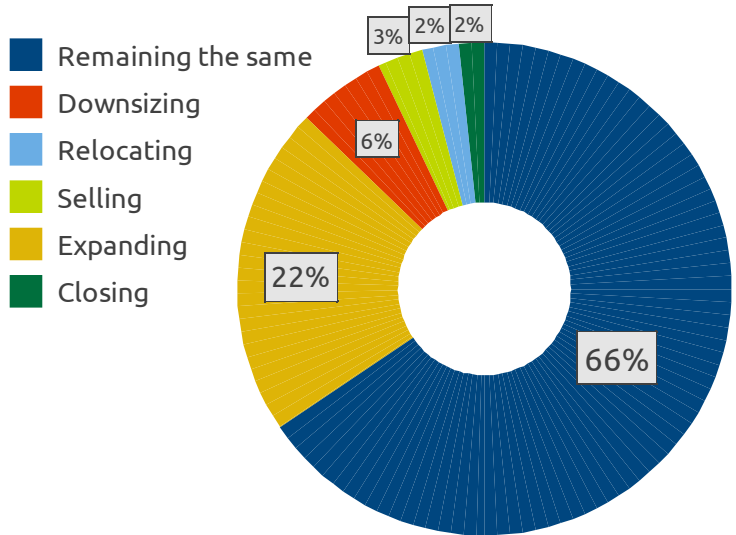


Figure 10

The future plans of businesses showed characteristics of a stable business community in Huron County (see figure 10). However, 12% of Huron County businesses are planning on downsizing, relocating, selling or closing their businesses within the next 18 months.

Business Expansions

The main reasons for the potential expansion of your business:

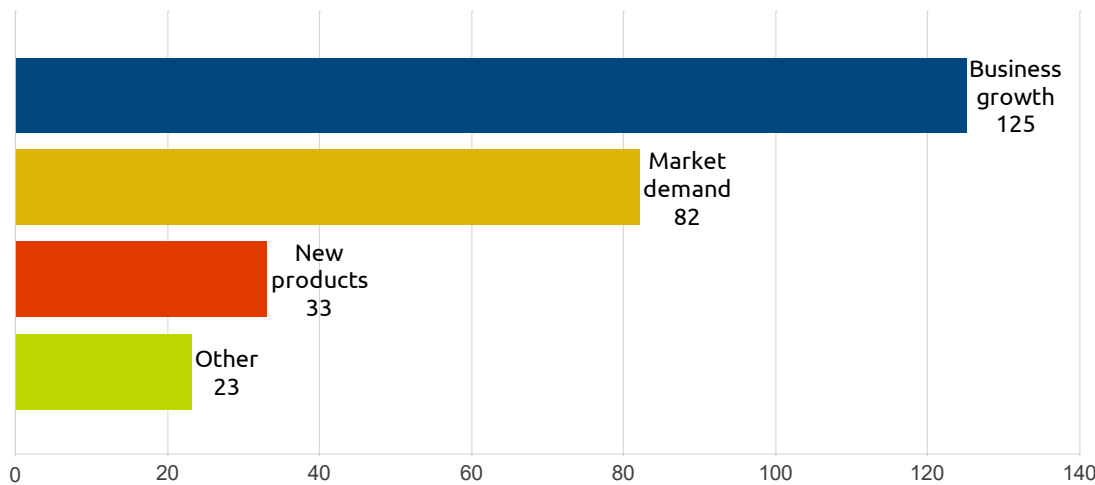


Figure 11

Impacts of expansion

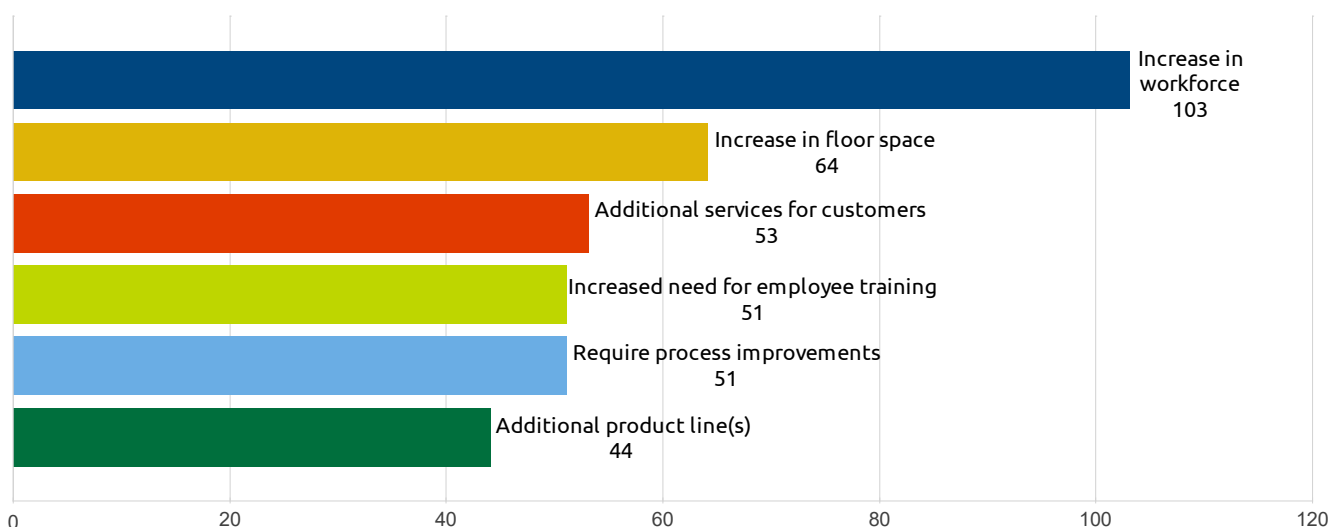


Figure 12

62% of businesses with plans of expansion are planning on funding their own expansion while 73% are interested in federal/provincial programs to assist with their expansion.

Half of respondents are currently experiencing challenges with their expansions related to:

- Difficulty identifying or securing suitable property
- Difficulty navigating red tape
- Increased workload and stress
- Difficulties due to COVID-19

Half of respondents view assistance with their expansion plans as beneficial, with the most valuable assistance being identified as providing more skilled workers (38 responses), followed by providing more general business support (28 responses) and securing suitable housing for staff (27 responses).

Business Downsizing, Selling, Relocating and Closing

- 41 businesses expect to downsize their business
 - 78% of those indicate age/retirement to be the main reason
- 21 businesses expect to sell their business
 - 85% of those indicate retirement to be the main reason
 - 68% of those do not have a succession plan in place
- 17 businesses expect to relocate their business
 - 56% of those are planning on relocating within Huron County
- 12 businesses expect to close their business
 - 73% of those indicate retirement to be the main reason

Business Development

Business Outlook & Projected Sales

Most business respondents have a neutral or positive outlook for their industry (see figure 13).

What is the outlook for your industry?

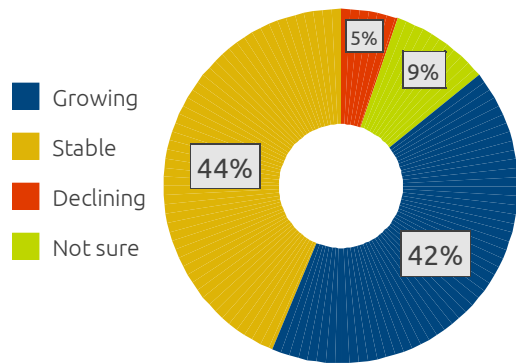


Figure 13

Are your projected sales in the next year expected to:

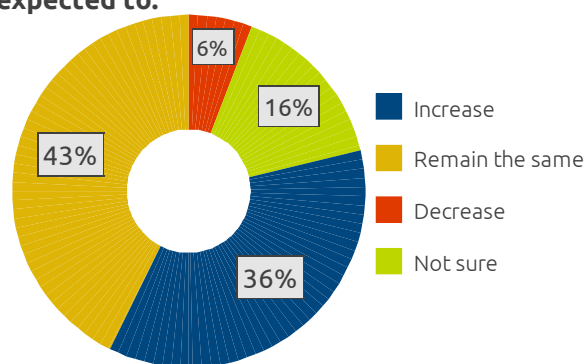


Figure 14

For those with an outlook of growth for their industry, general market conditions/trends (216 responses) and population changes (170 responses) were the most commonly selected reasons.

Reasons for increase in projected sales

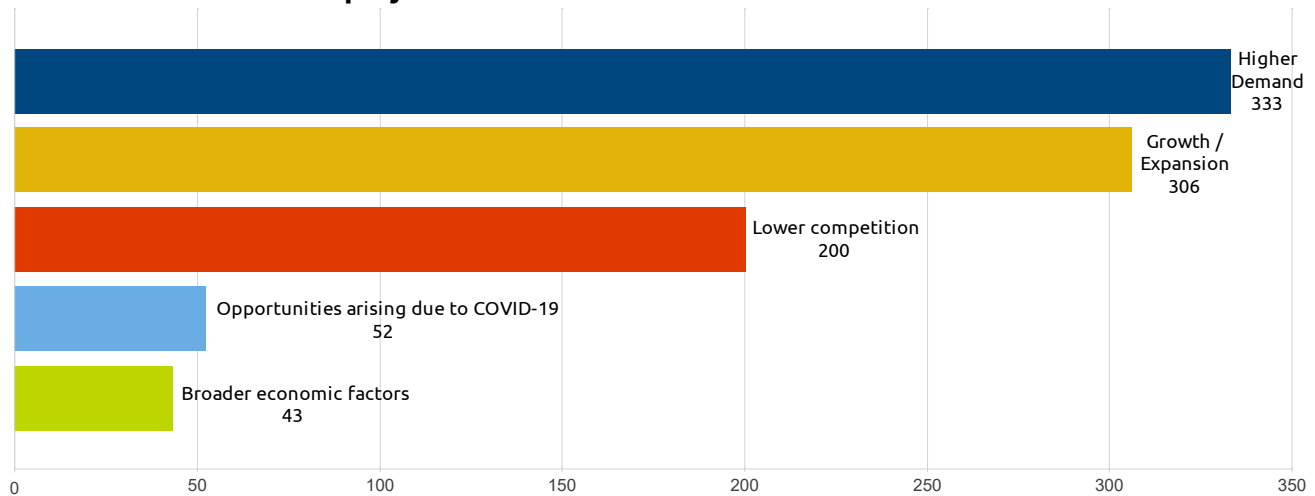


Figure 15

Reasons for anticipated decline

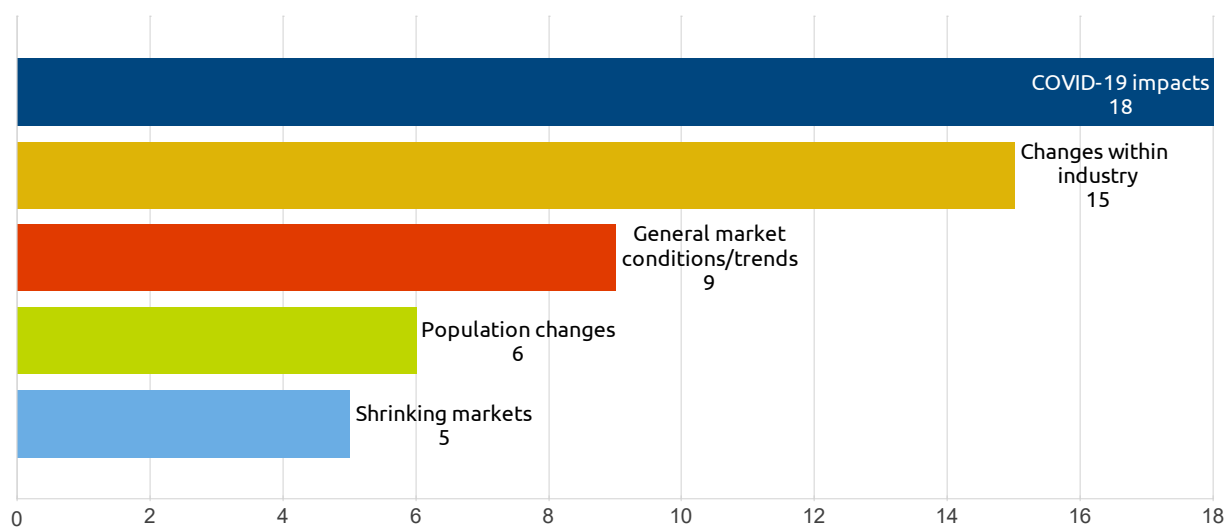


Figure 16

Technology use in your business

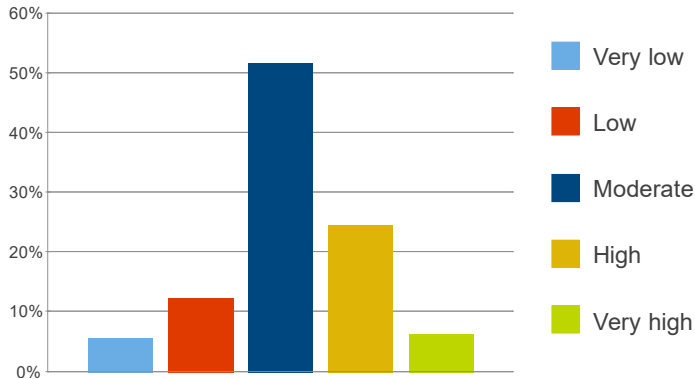


Figure 17

71% of respondents are experiencing **no barriers** to their information technology requirements. For those that are experiencing technological barriers, common causes include internet speed/access (135 responses) and knowledge and training (69 responses).

Workforce

Changes in Staffing

Between 2016 and 2019, the number of people you employ in this business:

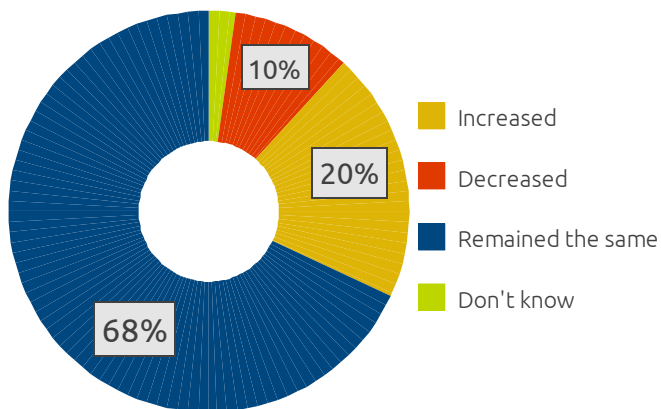


Figure 18

In the year 2020, the number of people you employ in this business:

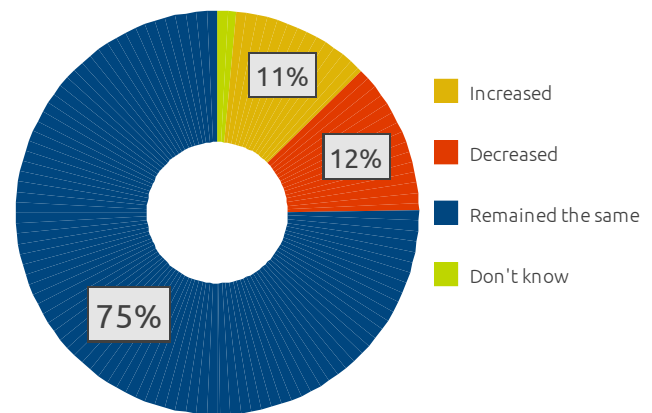


Figure 19

Survey responses confirmed that workforce is a significant issue. Between 2016 and 2019, a majority of businesses had the same number of employees, with a considerable number of respondents increasing the number of people they employ (see figure 18).

In 2020, we see the amount of businesses remaining the same increased considerably to 75% while those who increased staff lowered to only 11% (see figure 19).

Out of the 80 respondents who decreased the number of people they employ in 2020, 57 indicated this was due to negative impacts of COVID-19, along with 32 who had difficulty finding skilled staff (the latter identical to the 2016-2019 timespan).

Workforce Needs

Availability of qualified workers

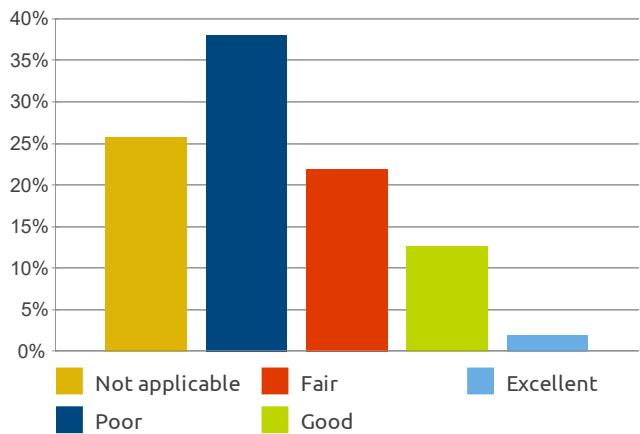


Figure 20

Ability to attract new employees

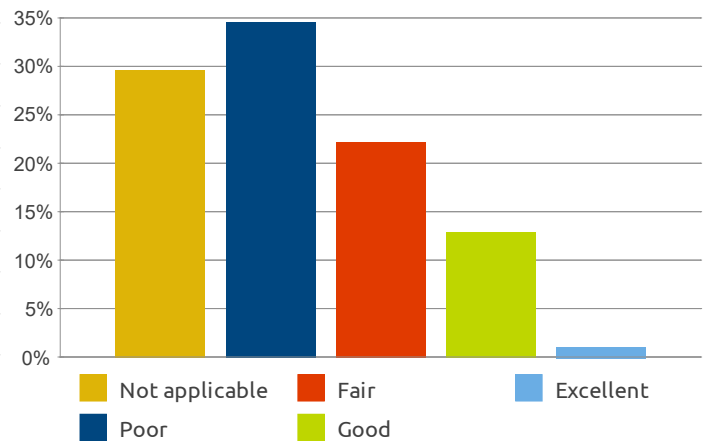


Figure 21

In terms of county factors related to workforce, business respondents rated availability of qualified workers and ability to attract new employees the poorest (see figures 20 & 21).

Stability of the workforce and ability to retain new employees were ranked more evenly.

Hiring Challenges

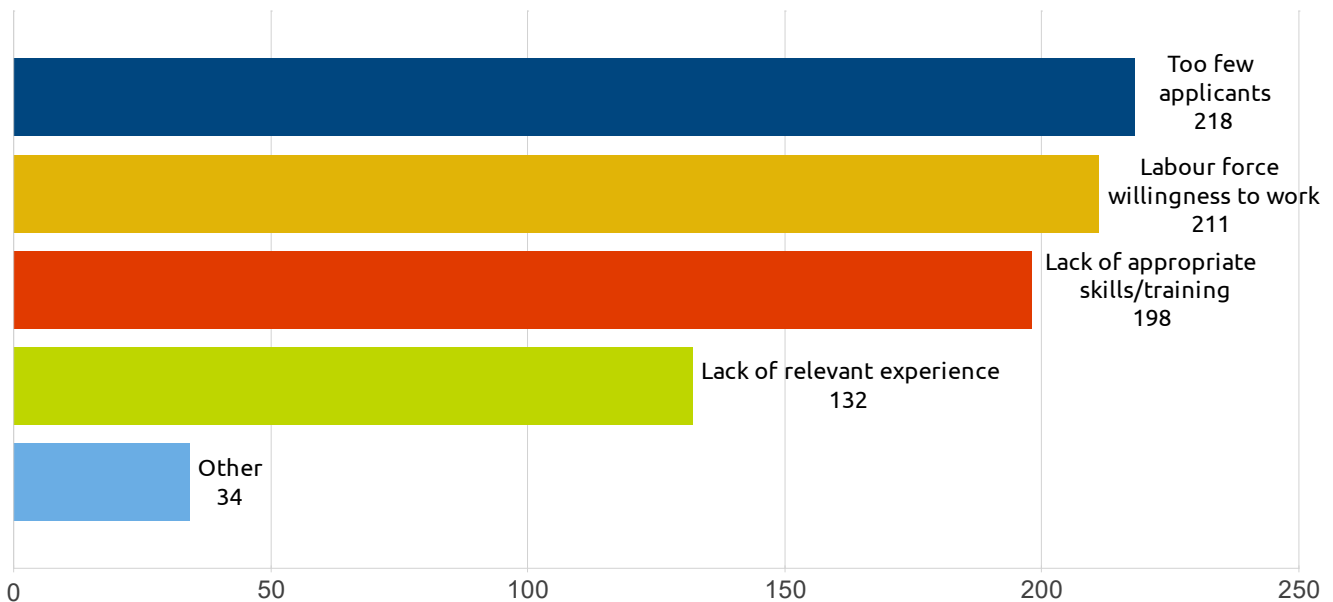


Figure 22

262 (41%) businesses report difficulties hiring.

Workforce Shortages

Shortages by skill level

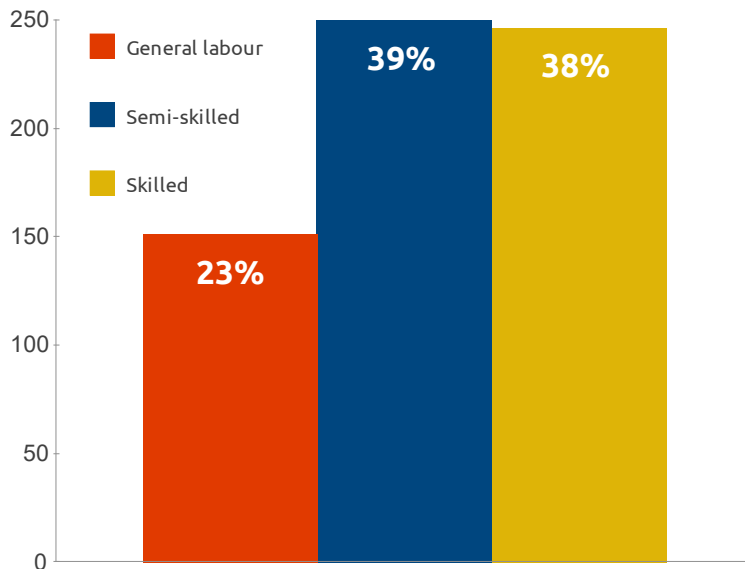


Figure 23

- Examples of general labour occupations: farm labourers, dishwashers and line workers
- Examples of semi-skilled occupations: cooks, construction workers and drivers
- Examples of skilled occupations: nurses, engineers, technicians and management staff

Employee retention issues

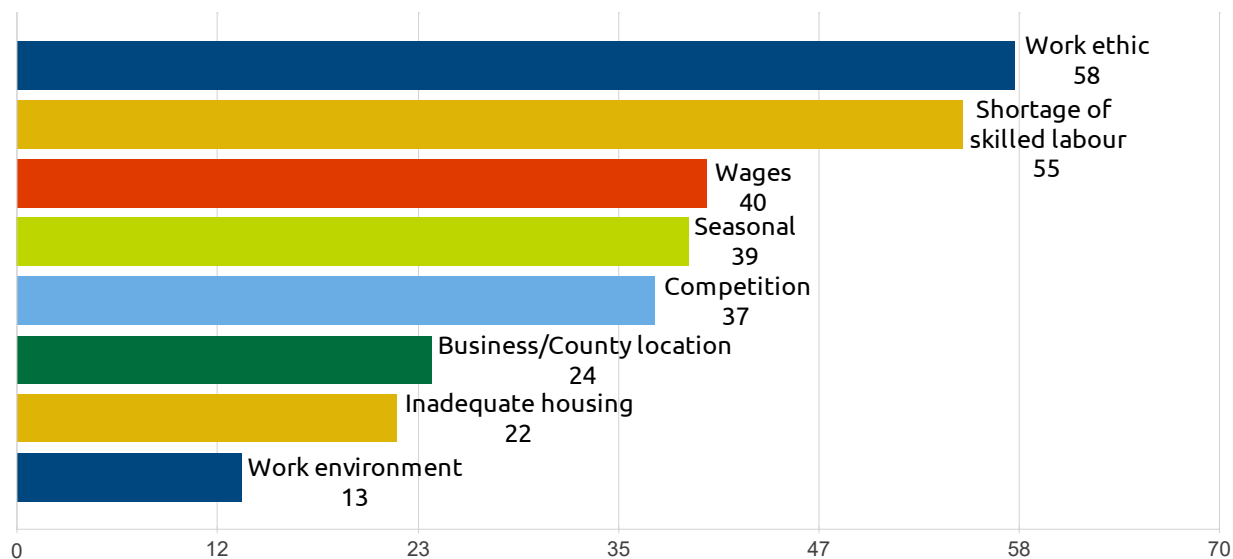


Figure 24

Co-op, Internship and Apprenticeship Programs

Only 24% of respondents are currently participating in co-op, internship or apprenticeship programs. This reveals a significant workforce development opportunity to increase business participation in these programs as a means for employers to connect with potential future staff.

Beneficial Training Opportunities

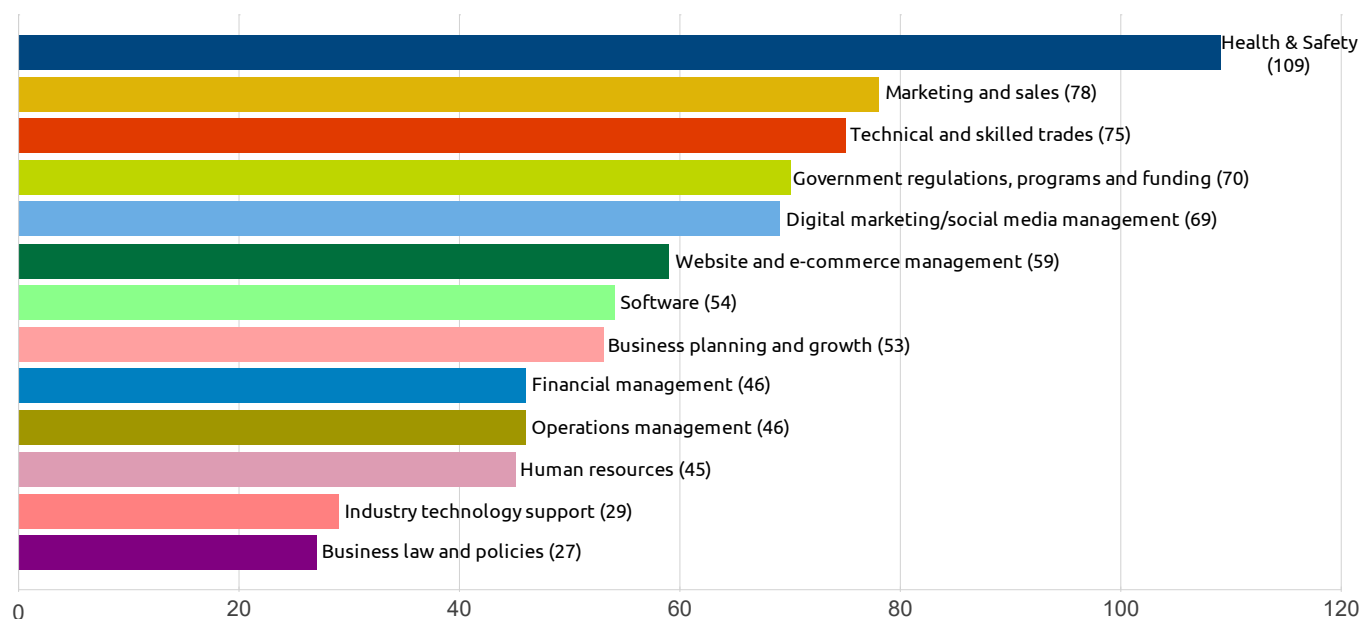


Figure 25

Businesses most commonly requested training for health & safety (e.g. WHMIS, COVID-19 protocols), marketing and sales, technical skills and trades (e.g. working at heights) and government regulations, programs and funding (see figure 25).

Community Development

Community Services

The general impression of community services is good. Respondents were very satisfied (rated good or excellent) with local elementary & secondary schools and Community Futures Huron. Community services viewed negatively (rated poor or fair) include workforce planning and mental health support services. These services were not highly engaged by businesses.

Local Government Services

The level of satisfaction with local government services is also very good, as businesses were very satisfied with most service categories. Businesses were more likely to be satisfied with services that they were more familiar with, while services that were rated less positively, such as public transit, saw very little contact. Services that were seen most positively include garbage/recycling, fire services and snow removal.

A Good Place to do Business

Respondents highlighted advantages of doing business in Huron County as a sense of community, the supportive people, its desirable location, and local support from residents and businesses

Opportunities for Community Improvement

Respondents felt that Huron County could be a better place to do business if improvements were made to address the shortage of attainable* housing, low population, lack of internet availability in rural areas, high taxes and the workforce shortage.

*Housing attainable by those with general labour or semi-skilled occupation incomes

Requested Changes

Respondents highlighted the most significant changes they would like to see in the next five years to be infrastructural improvements that address the lack of attainable housing along with internet and natural gas availability in rural areas.

Beneficial Support Opportunities



Figure 26

Survey Themes

Theme 1 – Planning Along the Business Lifecycle

Businesses that are downsizing or selling their business aren't doing so because of financial viability or being outcompeted, they're doing so because owners are aging out of business. A majority of business respondents that plan on selling their business soon do not have a succession plan in place and thus are not properly prepared for that inevitable selling of their business. Those in the agriculture sector view succession planning assistance as beneficial to support their business. Many of the beneficial business supports (figures 25 and 26) noted would fall into this category under start up and growth

- 41 businesses are planning on downsizing within the next 18 months
 - Age/retirement is the main reason for 78% of these businesses
- 21 respondents are planning on selling their business within the next 18 months
 - Retirement is the main reason for 85% of these businesses
- 68% of those who plan on selling their business do not have a succession plan
- 53 businesses find business planning and growth support training beneficial
- When asked what assistance or opportunities would be beneficial to support their business:
 - 100 respondents identified succession planning, 53 of whom are agriculture business owners
 - 105 respondents selected business planning and growth support

Theme 2 – Workforce Issues

There are wide ranging challenges to recruiting and retaining suitable staff. Businesses are reporting that the workforce shortage issue is now higher for semi-skilled and skilled occupations than general labour jobs. This notion is reinforced by survey follow-ups conducted by the Business Support Team where many businesses communicated their need for both general labour and skilled occupations, especially those in the food/beverage and construction sectors. While majority of business respondents rate availability of qualified workers and ability to attract new employees as poor in terms of business factors in their communities, there is very limited participation and interest in co-op, internship and apprenticeship programs. However, there is interest in receiving assistance with workforce planning, workforce attraction and employee training.

- 262 (41%) businesses report difficulties hiring employees
 - 39% of business experiencing difficulties hiring identified semi-skilled positions to be the most difficult to recruit
 - 38% identified skilled positions to be the most difficult to recruit
 - Only 23% identified general labour
- 114 (19%) businesses report difficulties retaining employees
 - Common reasons for these difficulties retaining include work ethic (58), shortage of skilled labour (55) and wages (40)
- 247 (51%) businesses rated availability of qualified workers as poor (out of 483 respondents who provided a rating) as a factor in Huron County for their business needs
- 221 (49%) businesses rated ability to attract new employees as poor (out of 452 respondents who provided a rating) as a factor in Huron County for their business needs
- 494 (76%) respondents do not participate in any co-op, internship or apprenticeship programs
 - Of these businesses, 81% are not interested in receiving information on these programs
- 124 businesses identified workforce planning, employee training and attraction as an assistance that would be beneficial to support their business (second most popular selection)

Theme 3 – Infrastructure Improvements

The business community views the lack of attainable housing as the biggest disadvantage and poorest factor of doing business in Huron County. There is a similar outlook on availability of natural gas, especially for agriculture businesses operating in rural areas.

- 225 (42%) respondents rated availability of adequate housing as poor
- 195 respondents rated availability of natural gas as poor
 - 126 of these respondents identified themselves as agricultural businesses
 - Of agricultural businesses, these 126 respondents make up 59% of those who provided a rating for availability of natural gas
- Securing suitable housing for staff was found to be a support of interest (27 responses) for businesses planning on expanding
- 71 occurrences of the word housing when asked what their community's top disadvantages were as a place to do business. There was 41 uses of the word distance and 33 of gas
- Business respondents most commonly described the most significant changes they would like to see in the community as a place to do business relating to need for more housing (71 responses) and natural gas (30 responses)

Theme 4 – Beneficial Business Supports

A majority of businesses are interested in receiving direct assistance and support, regardless of their sector or future plans. This covers a variety of training and support topics, the most popular of which is grant, funding and loan programs. In light of the current labour market, workforce planning, workforce attraction and employee training are desired across all sectors. Succession planning assistance is of particular interest to agriculture businesses.

- 10 (71%) businesses that plan on relocating their business indicated there is assistance that could be provided to prevent or assist with the relocation of their business within Huron County
 - Grants, funding and financial assistance was the most common specification
- 109 (73%) businesses that plan on expanding wanted to receive information on potential federal or provincial programs or services that might assist with their expansion
 - When asked if the community could potentially aid their expansion plans, of the 70 (49%) that selected yes, 28 businesses specified the provision of general business support
- 196 business respondents expressed interest in training programs that would be beneficial to them, with most popular choices including health and safety (109 responses), marketing and sales (78 responses), technical skills and trades (75 responses), government regulations, programs and funding (70) and digital marketing and social media management (69 responses)
- When asked what assistance or opportunities would be beneficial to support their business:
 - 222 respondents selected access to information on grants, funding and loans
 - 124 respondents selected workforce planning, employee training and attraction
 - 113 respondents selected joint advertising and marketing
 - 109 respondents selected digital marketing, social media and online content workshops
 - 105 respondents selected business planning and growth support

Follow-up Support Themes

Based on the follow-up support provided to 203 Huron County businesses, themes within business supports were identified as:

- Common requests for direct business follow-up included:
 - Funding program opportunities
 - Business planning and growth support
 - Succession planning
 - Digital marketing and web content
 - Difficulties hiring and retaining staff
- Businesses are receptive to discussing their survey and expanding on responses
 - Respondents desired direct one on one support
 - Respondents are open to engaging with private and public partners for additional support (e.g. Four County Labour Market Board, Conestoga College Career Centre, Digital Main Street)
- The agriculture industry feels that government lacks understanding of their needs
- Businesses support red tape reduction
- The majority of follow-up respondents used grant and funding programs with ease, especially as they related to COVID-19
 - Ongoing assistance in finding grant programs was requested
 - Time and capacity to write out the applications is lacking