

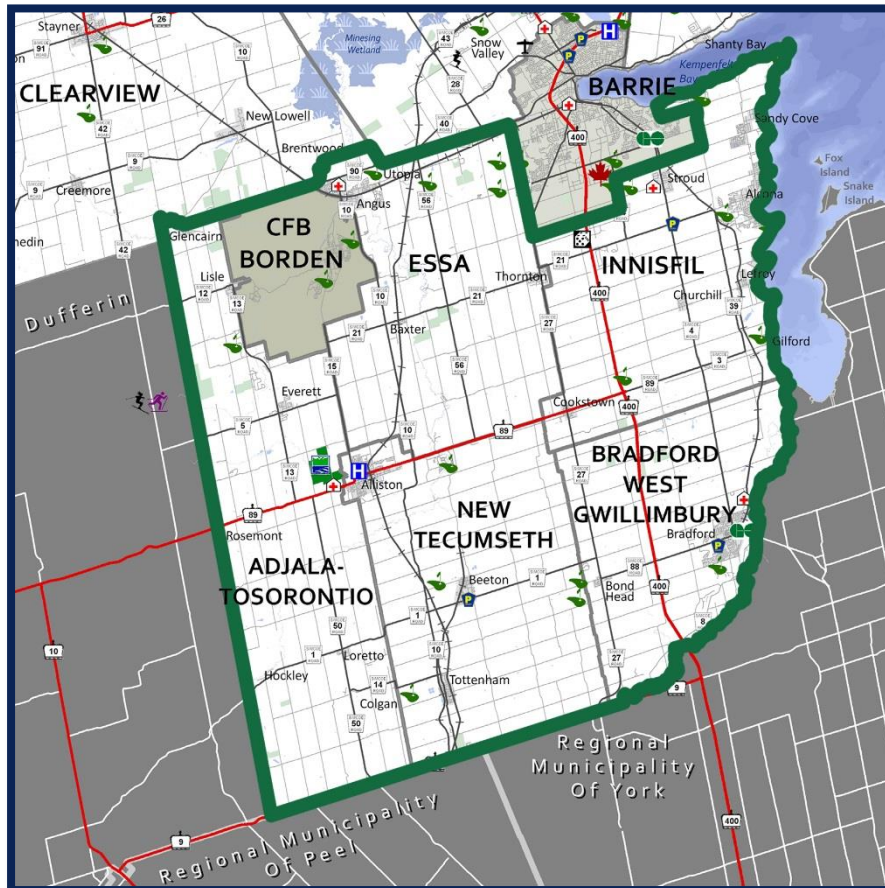


**Nottawasaga
Futures**

In Partnership with the
Municipalities of South Simcoe

Town of Bradford West Gwillimbury Business Retention & Expansion Survey

Manufacturing Sector 2015



Map Courtesy of the County of Simcoe

Nottawasaga Futures would like to thank all of our partners who made this project a success.



Introduction

Nottawasaga Futures, in partnership with the County of Simcoe and the Municipalities of South Simcoe, conducted a business support program for the manufacturing sector of South Simcoe. The model used was the Business Retention and Expansion program (BR+E) adapted to the Ontario business environment by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and is intended to identify specific barriers to growth and highlight opportunities for expansion through a carefully designed survey.

This survey has been presented in each of the five South Simcoe municipalities with dedicated support and full participation. This report is a companion report to the South Simcoe Business Retention & Expansion Survey report, and should be taken in context.

Methodology

This report summarizes the results of a business visitation survey conducted with manufacturers from across the Town of Bradford West Gwillimbury. In 2014, manufacturing, the single largest sector in terms of employment, employed 2,294 people representing 22% of all jobs in the Town of Bradford West Gwillimbury. Thirty-seven businesses were selected as a sample of the various sub-sectors within the manufacturing sector, representing a diversity of operations and sizes within the Town of Bradford West Gwillimbury. Of the 37 selected, 11 agreed to participate.¹ Many businesses across South Simcoe declined to participate, stating they were too busy, not interested, or did not need the assistance available to them. In an effort to increase uptake, Nottawasaga Futures and the municipalities tried a number of different approaches. Over 600 phone calls were made, as well as direct emails and phone calls from the municipalities to additional contacts, a targeted postcard mailed to all 128 businesses, and door to door visits to 27 businesses that had not responded by phone or email.

The Economic Development Office of the Town of Bradford West Gwillimbury, in partnership with Nottawasaga Futures, interviewed business owners between September 2014 and February 2015 using the Standardized OMAFRA Business Retention and Expansion questionnaire.

The Business Retention and Expansion program focuses on existing businesses in a community. While the attraction of new businesses is an important aspect of a balanced economic development strategy, the Business Retention and Expansion process recognizes the need to do more to assist existing businesses, helping them to survive and grow. Through the BR+E process we were able to get a better understanding of business needs, including the necessary information and resources required to address those needs. Through the Nottawasaga Futures Business Resource Centre, businesses were able to access business resources and meet one on

¹ Given that this survey was of a limited number of respondents, it cannot be definitively concluded that all manufacturing businesses in the area share similar experience.

one with consultants. As well, individual businesses were provided with information on grant programs available to them.

The survey is a tool used to gather information from businesses in the Town of Bradford West Gwillimbury with the intention of discerning the critical issues relevant to business retention and expansion. The survey was structured to identify Red Flag issues in key areas such as:

- Manufacturing Activities;
- Business Climate;
- Future Plans (downsize, relocate, expand/renovate, close);
- Business Development;
- Workforce Development;
- Training; and
- Local Community Advantages and Disadvantages.

The following report is a discussion of the key areas, with the results summarized and cross-tabulated², to better understand the survey responses. The tool used for analysis was *Executive Pulse*. The survey included community based questions. Some questions required discrete answers from pre-determined lists (with options to identify additional or other answers), while others were open-ended questions that elicited qualitative responses.

² Cross-tabulation refers to the investigation of one question based on the response of another question.

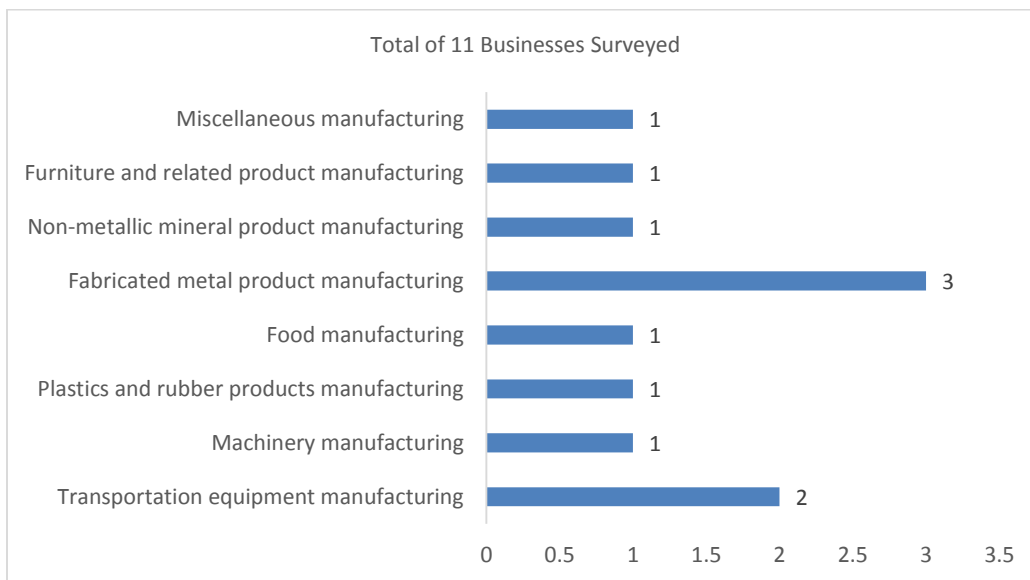
Survey Findings

Company Information

This section provides an overview of the general business climate in the Town of Bradford West Gwillimbury.

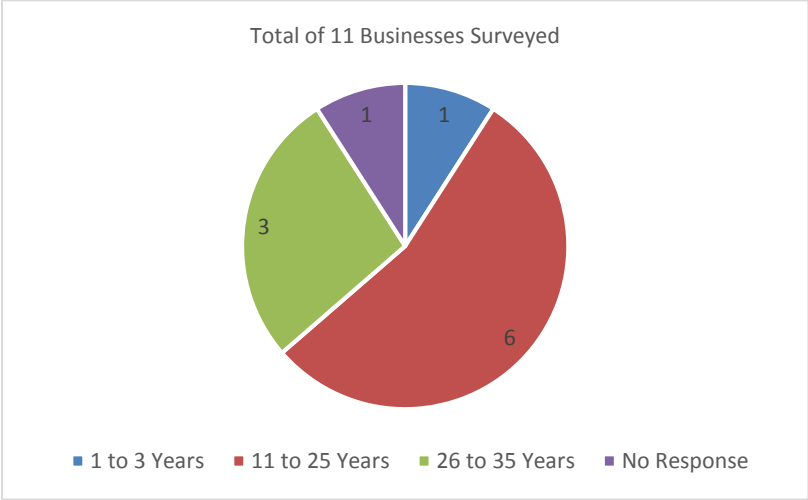
The Town of Bradford West Gwillimbury has a mix of businesses associated with the manufacturing sector that participated in the survey. Of the 11 businesses visited 28% of respondents (3 businesses) identified as fabricated metal product manufacturers and 19% of respondents (2 businesses) identified as transportation equipment manufacturers. Figure 1 displays the different sectors that made up the list of surveyed businesses.

FIGURE 1: TYPES OF MANUFACTURING FIRMS



90% of survey respondents indicated that their businesses have operated in the community for between 11 and 35 years. Of the 11 businesses surveyed, 64% of the respondents (7 businesses) indicated that the owners live in the community. Furthermore, 73% of the respondents indicated that at least one of the owners is involved in the day to day operation of the business. This indicates that businesses and business owners have a vested interest in the local economy and their businesses. Some of the comments from businesses are “*reinvested in the community*” “*future looks good in the area*” and “*town is a great support to the business.*” The overall ages of these businesses are summarized in Figure 2. This emphasizes the importance of an effective BR+E program and retaining the businesses that are currently located in the community.

FIGURE 2: YEARS OF BUSINESS OPERATING IN COMMUNITY BY PROPORTION OF TOTAL RESPONDENTS

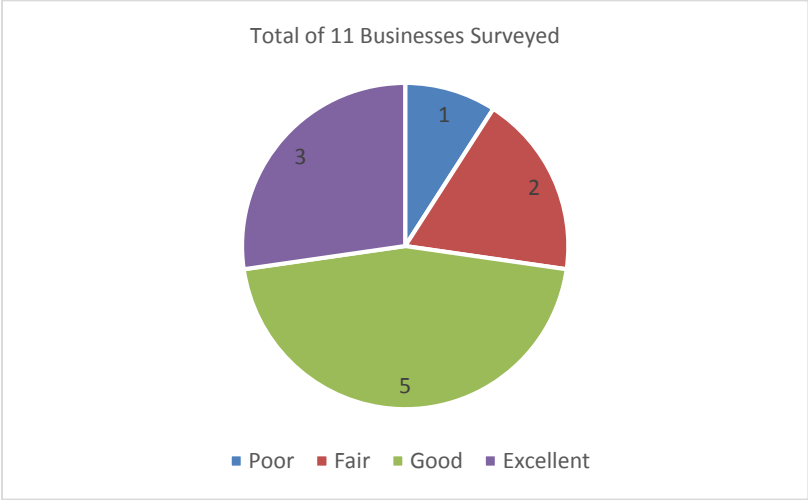


The businesses served local, Canadian domestic and international markets. 45% of the respondents (5 businesses) identified the region as the primary market of their business. Six companies export their products to the United States and four to multiple markets. Consistent with past research findings, it is still the larger SMEs, and SMEs operating in the manufacturing and knowledge-based sectors that export the most.³ Of the exporting companies, all have either increased or remained the same in their export level. For half of those businesses that do export, exports make up between 10-50% of their annual sales.

As Figure 3 illustrates, nearly three quarters of businesses consider the Town of Bradford West Gwillimbury to be a good or excellent place in which to do business (8 businesses). One business indicated that Bradford West Gwillimbury was a poor place to do business. Two businesses rated the town as fair.

³ Small and Medium sized Enterprises (SME) Profile: Canadian Exporters (January 2015), Industry Canada

FIGURE 3: GENERAL IMPRESSION OF THE TOWN OF BRADFORD WEST GWILLIMBURY AS A PLACE TO DO BUSINESS



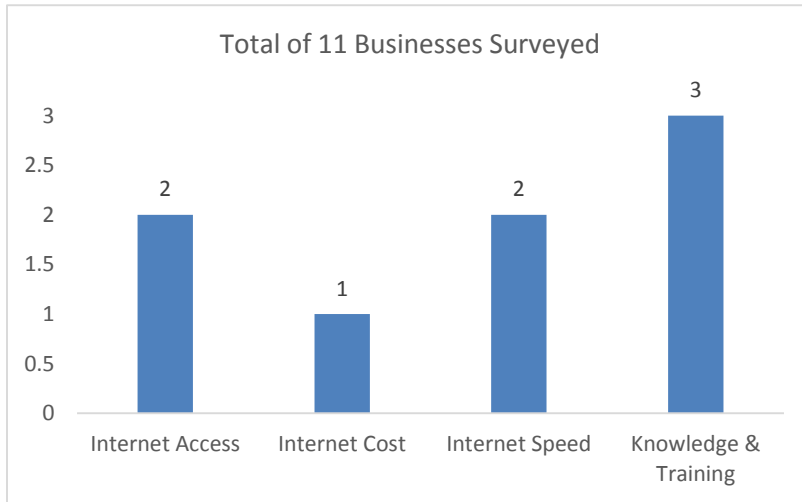
Some of the comments that were offered suggest discontent with various aspects including:

- insufficient buffer between residential and industrial areas;
- infrastructure issues including road weight restrictions and congestion in the downtown core; and
- high development charges.

The majority of businesses stated that they have had either no change (55%) or a positive change (36%) in attitude over the past three years about the community as a place in which to do business.

One of the issues at the forefront of business’s concern was that of poor internet services. Nearly half of the respondents indicated that they are facing barriers in the technology requirements of their business. Figure 4 highlights the most common barriers across the various technological requirements.

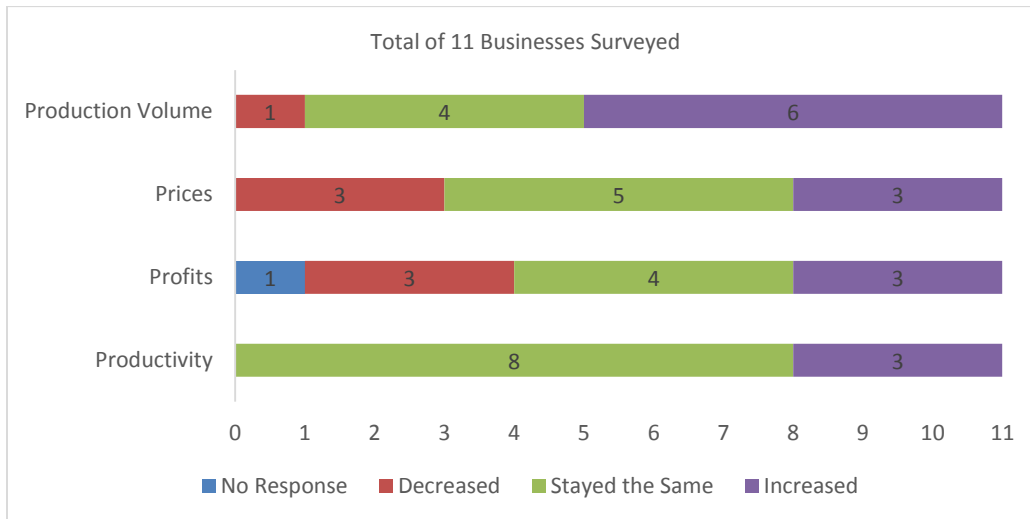
FIGURE 4: INTERNET RELATED BARRIERS



Manufacturing

Over half of the businesses, 55% of respondents (6 businesses), experienced an increase in production volume in the last two years and only 27% of the respondents (3 businesses) experienced an increase in profit over the last two years. 63% of the respondents (7 businesses), saw their profit stay the same (36% of respondents) or decrease (27% of respondents) over the last two years.

FIGURE 5: COMPARED TO 2 YEARS AGO: HOW HAVE THE FOLLOWING ASPECTS CHANGED...



Some of the costs identified in the survey are high municipal taxes and development charges. 36% of the respondents (4 businesses) rated municipal taxes, and 27% respondents (3

businesses) rated development charges as negative factors of doing business in this community. This is particularly important as 64% of respondents (7 businesses) own their own facilities, and a number of businesses (as outlined in the Future Plans section) are looking to expand their locations.

Every product has a life cycle and it is essential for businesses to know where their product(s) are in this cycle and use that information to plan for the future. Nearly two thirds of respondents (7 businesses) have indicated that their primary product is either emerging (36% of respondents) or growing (27% of respondents).

Furthermore, a business with its product nearing the end of its cycle must take action in order to move forward. 27% of respondents (3 businesses) have stated that their primary product is maturing. It is encouraging to see that nearly all respondents have either introduced a new product to the market within the last 12 months (55%) or have a new product in development (36%). To facilitate this development, 45% of manufacturers are taking advantage of the Scientific Research and Experimental Development tax credit program offered by the federal government.

73% of respondents (8 businesses) have made major investments in equipment or machinery within the last two years. It was noted however, that 63% of company facilities are underutilized or still in need of modernizing, with the remainder currently at capacity. Of those companies who are underutilized (4 businesses), three are interested in cooperating with another business to bring the plant to full capacity.

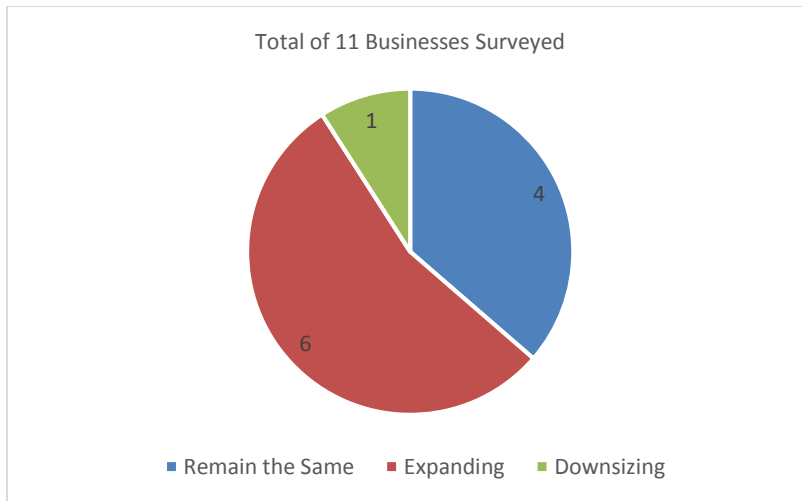
The main focus of process improvements currently is in energy efficiency and waste product recovery, with more companies pushing toward a green future. Another recent focus of businesses is improving their health and safety practices. ISO certification and vendor/supplier networks are the lowest area of concern for improvement.

A majority of companies outsource some of their product, with four companies outsourcing greater than 50%. The majority of these products are raw materials, with some other products and services such as plastic components, motors, blasting, and coating.

Future Plans

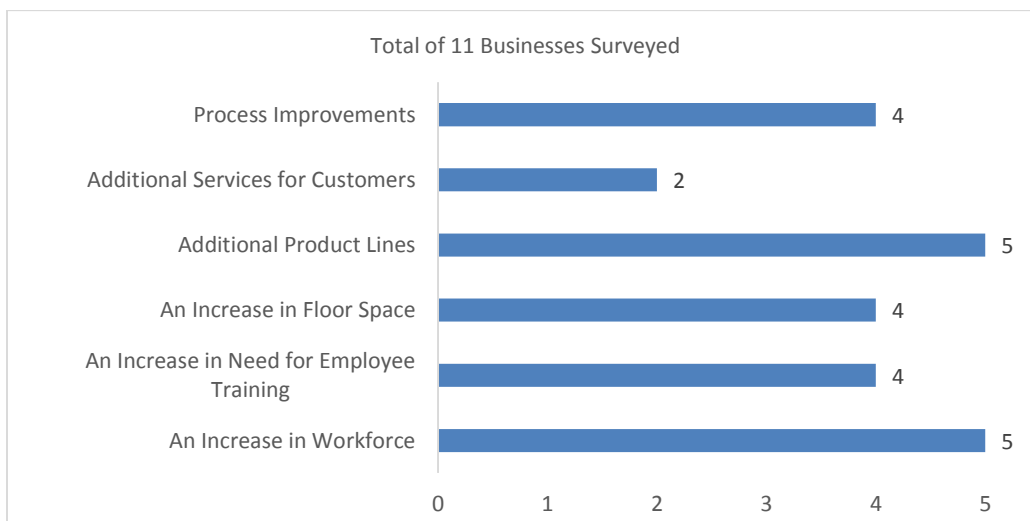
This section provides a review of predicted future prospects for surveyed companies over the next 18 months. A primary question asked if respondent's businesses were expected to remain the same, downsize, relocate, expand or close (Figure 6). Of the 11 businesses, six (55%) expected to expand over the next 18 months, four (36%) expected to remain the same, and only one company expected to downsize. The one company did explain that owner retirement and lack of a succession plan would lead to downsizing, and eventual closure of the company.

FIGURE 6: PLANNED BUSINESS UNDERTAKINGS WITHIN THE NEXT 18 MONTHS



Bradford businesses feel positive about the growth of their business. 45% of respondents (5 businesses) expect their sales to increase in the next year. Business expansion is expected to have a number of positive impacts, as Figure 7 summarizes. Of those who are expanding, 83% of the respondents (5 businesses) indicated that their expansions would lead to an increase in the workforce, with a total of 87 new jobs created. Also, 83% of businesses (5 in total) will have additional products as a result. Rounding out the top four impacts, 66% (4 in total) expect the planned expansion will lead to additional floor space totaling 53,000 square feet, as well as an increase in the need for employee training.

FIGURE 7: WILL YOUR EXPANSION REQUIRE OR LEAD TO...

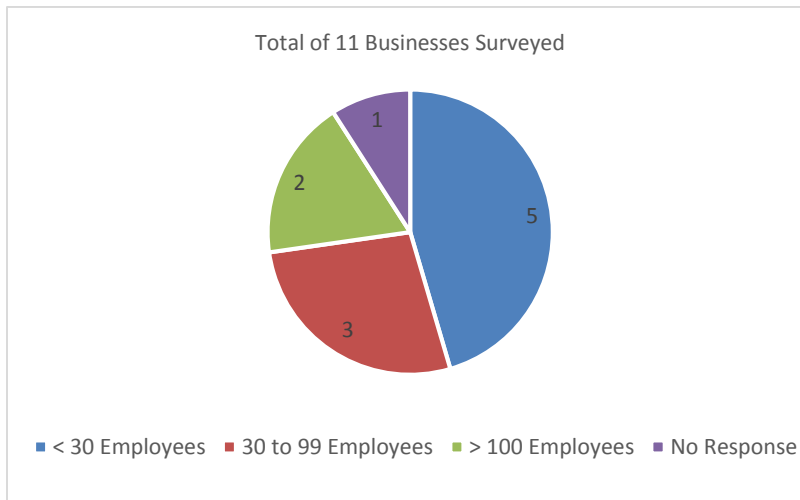


Workforce Development

The workforce development section of the survey focuses on past and expected changes in workforce size, while examining the factors responsible for these changes. This section further assesses the perceived quality and availability of the labour force to businesses responding to the survey.

The majority of the businesses surveyed are small. 45% (5 businesses) have less than 30 employees. In addition there are 28% (3 businesses) that have between 30 and 100 employees, and 19% (2 businesses) that have more than 100 employees, as seen in Figure 8. One business provided no response to the question.

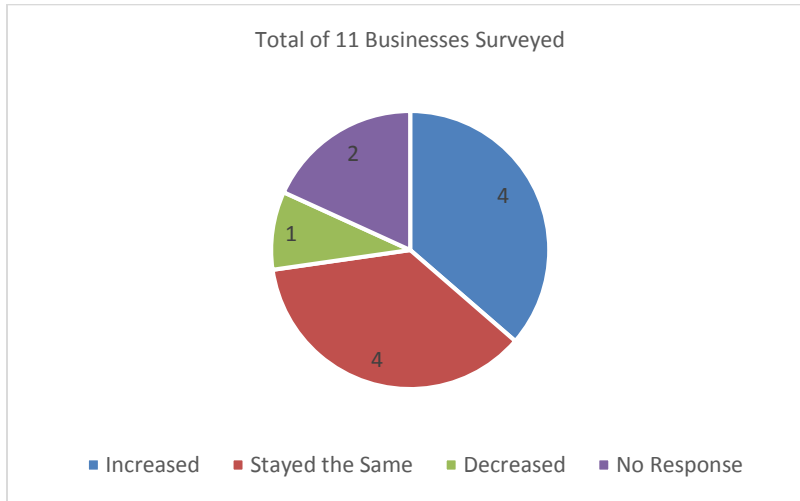
FIGURE 8: NUMBER OF EMPLOYEES



What these numbers show is that there is a wide range of company sizes, many small, but several large, and the diversity of company size may reflect the diverse needs of employers and employees.

Of 11 businesses, four indicated that they increased the number of employees over the last three years (Figure 9). Two businesses indicated increases of between one and five employees, one indicated between five and fifteen, and one more indicated increasing by fifty or more. Only one respondent saw a decline in the number of employees and four respondents indicated the number of employees remained the same. The net effect was the creation of 38 new jobs over the last three years.

FIGURE 9: EMPLOYMENT IN TOWN OF BRADFORD WEST GWILLIMBURY OVER THE LAST 3 YEARS



Overall, the quality of the workforce in the Town of Bradford West Gwillimbury is good. 36% of respondents (4 businesses) rated the stability of the workforce as good. 27% of the respondents (3 businesses) rated the factors in their community as a good contributor towards retaining new employees.

On closer inspection, there were several employment issues that did emerge. 73% of the respondents (8 businesses) stated that their business currently had difficulty hiring new employees. 82% of the respondents (9 businesses) identified lack of appropriate skills training (33% or 4 businesses) and lack of relevant experience (42% or 5 businesses) as the major hiring challenges for their companies. In addition, 78% participate in internship and co-op programs with the local school, indicating that they would like to develop and hire from the local labour force.

The main types of occupations businesses are having difficulty recruiting for are skilled and technical positions such as engineers, millwrights, and press operators. This is indicative of the industry that is represented in the Town of Bradford West Gwillimbury. 55% of the respondents (6 businesses) identified themselves as fabricated metal product, transportation equipment and machinery manufacturers.

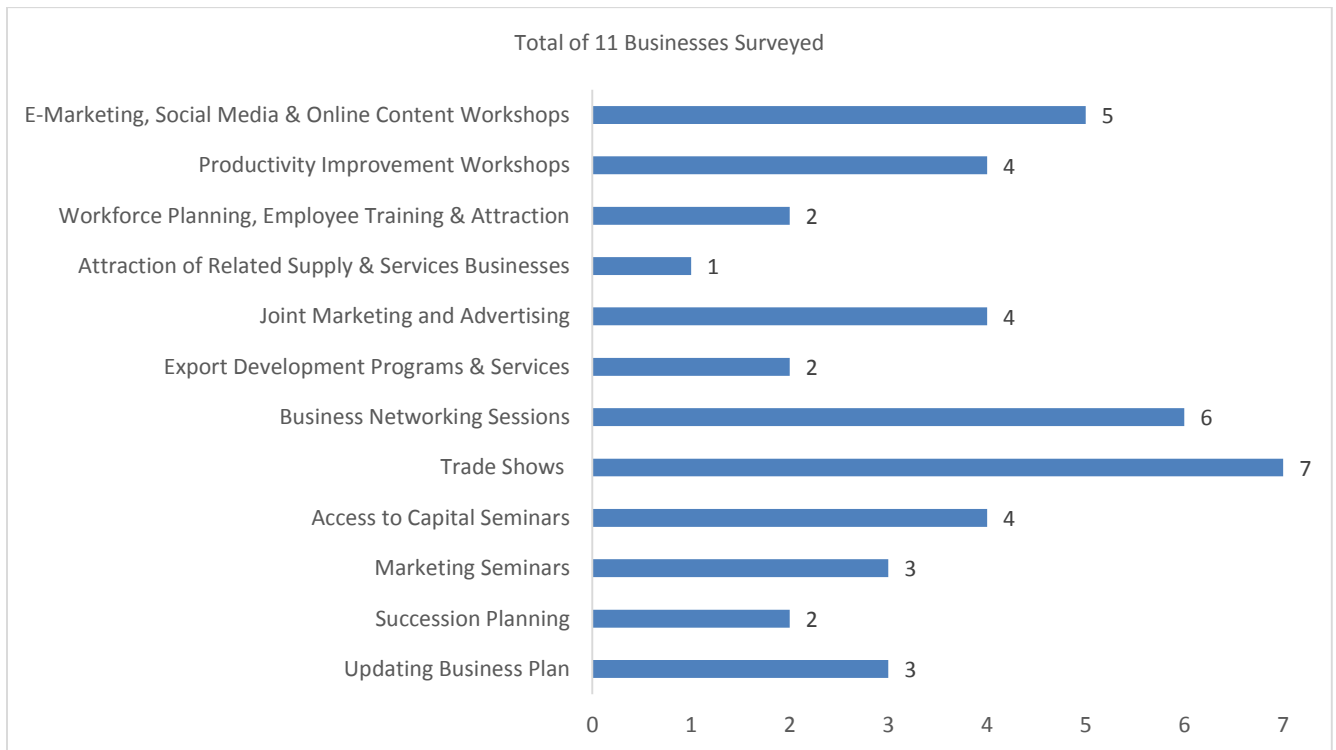
The top four recruitment methods are personal network and referrals, professional recruitment firms, employment centres and local media advertising. Two businesses have suggested that the community could assist with the hiring issues by working with the school board to provide more opportunities for students to work at local jobs through co-op placements.

Business Assistance

From a business management perspective, businesses would like advice/workshops related to: marketing and e-marketing; social media and online content; business networking events and trade shows. A low number of businesses were looking for outside help with updating their business plan, succession planning, and productivity improvement workshops.

A majority (63%) of businesses are interested in networking and information sharing with other similar businesses in the community. Some have also expressed interest in working jointly in marketing and purchasing initiatives, as seen in Figure 10. Others mentioned sharing transportation/delivery costs with other businesses.

FIGURE 10: WHAT ASSISTANCE OR OPPORTUNITIES WOULD BE BENEFICIAL TO SUPPORT YOUR BUSINESS?



Town and Community Services

When considering the services of the Town of Bradford West Gwillimbury, businesses were satisfied with the majority of essential services, most notably with: fire and police services; library services; recreational facilities; parks and open spaces; and garbage/recycling services. Respondents did however express dissatisfaction with public transit as well as the planning, zoning and building permits process.

Overall the business community was happy with the state of business in the Town of Bradford West Gwillimbury. They value their quality of life, support by other businesses, residents and municipality, and the availability of serviced land. The businesses were content to remain in the community and for many of them expanding and renovations have and will continue to be in their plans for the future.

FIGURE 11: ADVANTAGES AND DISADVANTAGES OF THE TOWN OF BRADFORD WEST GWILLIMBURY AS A PLACE TO DO BUSINESS

Top 3 Advantages	Top 3 Disadvantages
Proximity to Markets	Cost of Land
Infrastructure	Lack of Industry
Growth Potential	Municipal Taxes

Conclusion: Looking Forward

The results of the business visitation surveys have given some important insight into the realities and short-term expectations of the local manufacturers in the Town of Bradford West Gwillimbury. A number of key issues have emerged from the survey results, each deserving of consideration as the Town of Bradford West Gwillimbury moves to strengthen its manufacturing sector.

Many of the respondents have suggested the following as priority issues to focus on in the development of the 400 employment lands, which the town has identified as one of its strategic priorities:

- balanced growth of the town;
- managing the “green zone” around and between the industrial area and future subdivision development; and
- a reform of the weight restrictions on local roads that affect the shipping patterns of manufacturers.

Issues associated with hiring new employees became evident at various points in the survey. Availability of skilled labour in the area was one concern. Respondents suggested that the school board could help by providing more opportunities for students to work at local jobs.

Many businesses are interested in expanding in the near future. The majority of businesses have indicated they are not experiencing any difficulty with their expansion plans, with the remainder citing lack of sales and a need for low interest capital as barriers to their plans.

The immediate proximity to Highway 400, the strategic employment lands in the west end of the Town, proximity to the Greater Toronto Area and rapid population growth are recognized as contributors to an attractive environment for business attraction and investment.



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