



Report to: Development Services Committee

Meeting Date: November 23, 2020

SUBJECT: Markham Small Business Centre 2019-2020 Business Results and 2021 Objectives

PREPARED BY: Don De Los Santos, Manager, Markham Small Business Centre, ext. 3663

RECOMMENDATION:

1. That the report entitled “Markham Small Business Centre 2019-2020 Business Results and 2021 Objectives” be received and endorsed; and,
2. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

The Markham Small Business Centre (MSBC) is a core service within the City’s Economic Development program. The MSBC’s 2021 Objectives are designed to build on the success of the program to-date, and to respond to the extenuating circumstances caused by the COVID-19 Pandemic.

PURPOSE:

To highlight the performance and business results achieved in 2019-2020, and to present the Markham Small Business Centre’s 2021 Objectives.

BACKGROUND:

MSBC was established in June 2003 and is funded by the City of Markham and the Ontario Ministry of Economic Development, Job Creation and Trade (MEDJCT), in partnership with the private sector. MSBC provides Markham’s aspiring entrepreneurs and existing small businesses with high quality one-on-one management consulting, educational training, and the business resources needed to sustain their growth in today’s competitive marketplace. MSBC focuses on providing support to start-up and small enterprises (SMEs) during their first five years of operation by building strategic partnerships, providing excellent management assistance, educational programs and helpful resources. MSBC is managed by a full-time Economic Development staff, Don De Los Santos, a full-time Small Business Coordinator, Tiffany Mak and currently has the support of a temporarily redeployed full-time Small Business Assistant, Linda Stott.

OPTIONS/ DISCUSSION:

Performance Indicators

Among the key accomplishments of the MSBC in 2019-2020 were:

1) Economic Impact

MSBC is dedicated to strengthening Markham businesses and creating economic growth. Its efforts have made an impressive impact on the small business community. By providing useful business information and advice to start-ups and existing small businesses in Markham, MSBC facilitates new business starts, business expansions and increased employment. Based on the results of on-going client follow-up, 62 businesses were either started or expanded in 2019-2020 (Table A).

Most importantly, by providing early-stage support to SMEs, MSBC caters to helping these businesses succeed, thereby generating a long-term impact that benefits the small and medium size business sectors.

TABLE A

Economic Impact	2019 (full year)	2020 (Q1-Q3)	2019-2020 Total
Business Started	27	15	42
Business Expanded	15	5	20
Jobs Created	63	16	79

2) MSBC Response to COVID-19 Pandemic

MSBC undertook immediate special response measures to assist the small business community during the COVID-19 disruption (over and above regular operations). MSBC acted swiftly to accomplish:

- Timely and regular updates to website for business-related COVID-19 resources, news, announcements and updates (daily during the first 4-6 weeks of the Pandemic, and as-needed going forward)
- Pivot to provide virtual access to consultation services through phone, email and web conferencing
- Maintain regularly scheduled seminar and workshop activity by switching to virtual and introduce new content to support COVID-19 response
- Re-purpose the Starter Company Plus grant program to deliver the Small Business Recovery and Digital Resilience Program
- Increase visibility on social media and web platforms
- Issue monthly Economic Development e-news
- Partner with the Digital Main Street ShopHERE initiative. Since the program's launch in Toronto, the City of Markham is the first municipality to join this Canada-wide initiative. As of October 14, 2020 – over 190 Markham-based businesses and artists have applied for assistance with ShopHERE.

3) Support and Encourage Entrepreneurship

MSBC has been involved in many programs, activities and events to support and serve the small business community in Markham. In 2019-2020 MSBC received/completed:

- 2,491 general client inquiries
- 33,620 web page views
- 763 in-depth consultations
- 101 seminars/workshops/networking events

In addition, MSBC continued to deliver the following premier small business events/programs to facilitate small business growth and development:

- In August 2019, Seneca HELIX delivered its 2-week intensive “Summer Institute” program, sponsored by the City of Markham, and tackling healthcare issues led by Markham-based St. Elizabeth Healthcare and Markham Stouffville Hospital.
- In October 2019, MSBC hosted its annual “Markham Small Business Forum”, 84 attended, 95% would recommend this event to others. This program is delivered in collaboration with the Markham Board of Trade and ACCE.
- Through 2019 and 2020, MSBC continues to successfully administer the Starter Company Plus program for full-time business owners in the Community. Since 2014, MSBC has helped Markham-based businesses receive over \$425,000 in Provincial grants from this program.
- In 2020, MSBC re-purposed the Starter Company Plus program to support existing brick and mortar businesses actively operating since March 2020 (or earlier) and experiencing declines due to the COVID-19 pandemic. MSBC received a one-time contribution from York Region in the amount of \$110,000 to expand the program impact. This re-purposed program is delivered under the name “Markham Small Business Recovery and Digital Resilience Program”.

4) Provide specialized support to the Cultural Industries

- In April 2019, York Region Arts Council, in partnership with the MSBC and other York Region Small Business Enterprise Centres (YR SBECs) launched the 7th cohort of the Artrepreneur program, a 12-week learning program geared specifically for artists looking to turn their passion into a business.

5) Address diverse needs of Markham businesses

- In March 2020, York University, in partnership with the Markham Small Business Centre and other YR SBECs, launched the “ELLA – Entrepreneurial Leadership & Learning Alliance” women’s entrepreneurship strategy (WES)-funded program. 200 attendees attended the launch event.
- In March 2020 and July 2020, presented virtually to the Centre for Immigrant & Community Services (CICS) Immigrant Youth Centre to raise awareness of entrepreneurship opportunities, funding and programming in the City of Markham

6) Promote and encourage Youth Entrepreneurship among Markham youths

- Delivered the 17th (2019) and 18th (2020) annual Business Plan Competition to High School and Post-Secondary students in Markham. In the two years combined, 67 business plans were submitted, from 72 students, representing 10 distinct Markham High Schools and 9 Colleges/Universities. This program is generously sponsored by Seneca HELIX and BDO Canada LLP, Chartered Accountants & Advisors.
- Presented “Entrepreneurship” sessions (2019-20), to a mix of High School and Post-Secondary students: made 8 in-class/youth event presentations, at 6 different schools/events, to 266 students/teachers
- Successfully administered the Ontario Summer Company program (2019-20). Since 2001, over 150 students have successfully completed the Summer Company program with the MSBC. This has resulted in MSBC directly helping Markham-based student businesses receive over \$525,000 in Provincial grants from this Program
- MSBC successfully partnered with the Recreation Dept. to deliver the Entrepreneurship Summer Camp (2019), a week-long program for ages 12-14 (Grades 6-8). This served 20 participants.

7) Maximize and leverage partnerships and collaborations to benefit clients and stakeholders

- MSBC continues to offer “Ask the Expert” one-on-one consultation/mentorship on Legal and Accounting expertise. Programs supported by volunteer practitioners from the private sector (mentoring firms include: Element Law and BDO Canada)
- In March 2020, MSBC and York University YSpace launched their 12-week partnered learning series program, “Founder Fundamentals” hosted in Markham. This educational program is designed to help entrepreneurs gain the knowledge and skills needed to launch their startup.
- In June 2020, MSBC and York University YSpace launched a new 12-week partnered learning series program, “COVID Innovators”. The COVID-19 Global Pandemic has forced our innovators and entrepreneurs to redefine the norm and adapt to a completely new and unprecedented environment. Launching during Markham’s Innovation Month, the webinar series explored the human and innovation element of the new normal. The 12 sessions delivered from June to September aimed to drive positive conversations and share helpful insights to support our communities with adjusting to the new realities of physical distancing and virtual connectivity.
- In September 2020, MSBC and York University’s LaunchYU program initiated the current cohort of the “Founder Fundamentals” 12-week learning series.
- MSBC is co-located in the IBM Innovation Space – Markham Convergence Centre, alongside key entrepreneurship program delivery partners including: ventureLAB, Markham Board of Trade, and TechConnex. This allows for great opportunities for cross-promotion to each organization’s member clients.

8) Promote and position Markham/MSBC as a leader in providing business development assistance

A key strategy in promoting MSBC's positioning as a leader in providing business development assistance is to highlight, showcase and amplify the successes of businesses that MSBC assists. Some notable client successes included:

- In November 2019, Vienna Zhou, TROES Corp., 2018 Starter Company participant, won first prize in the "Made in York Region" investors pitch competition, including a prize of \$10,000.00.
- In January 2020, the Markham Life magazine, distributed to every household in Markham (85,000) – featured an article on SV Robotics - Yspace – 2020 Starter Company participant, 2019 Summer Co participant. The business had secured new contracts with U of T, Yamaha Summer Camps. The business was also featured on Fairchild TV Cantonese News (July 2019).
- Also in January 2020, CHCH Morning Live interviewed Igor Klivanov, Fitness Solutions Plus, 2015 Starter Company participant and current Summer Company mentor, about his book, "The Mental Health Prescription."
- In June 2020, reported on Yahoo Finance news: Planet Green Holdings Corp. (the "Company") (NYSE American: PLAG) announced that on June 5, 2020, the Company has entered into a Share Exchange Agreement with Fast Approach Inc ("Target") and each shareholder [Yong Yang, Starter Company 2019] of the Target (collectively "Sellers"). Pursuant to the Share Exchange Agreement, the Company will acquire all outstanding equity interests of Target. The Company closed the acquisition transaction on the same day. Fast Approach Inc. is a Canadian company that runs Demand Side Platform ("DSP") targeting Chinese market. At the closing, the Company issued an aggregate of 1,800,000 shares of common stock (valued at nearly USD\$5M) of the Company to the original shareholders of Target in exchange for the transfer of all of the equity interests of the Target to the Company.

2021 Key Objectives and Strategic Plan

1) Maintain COVID-19 special response measures, including:

- Timely and regular updates to website for business-related COVID-19 resources, news, announcements and updates
- Continue to provide virtual access to consultation services through phone, email and web conferencing
- Maintain virtual delivery of seminars and workshops and introduce new content to support COVID-19 response
- Re-purpose the Starter Company Plus grant program to deliver the Small Business Recovery and Digital Resilience Program
- Maintain visibility on social media and web platforms
- Issue monthly Economic Development e-news

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- 2) Pursue strategic partnerships with diverse business groups:
 - Statistics show that Markham is the most ethnically diverse community in Canada. In keeping with Markham's Diversity Action Plan, MSBC plans to raise its awareness among immigrant entrepreneurs and other underserved communities.
 - Maintain regular communication with local youth groups, business heads and teachers to inform them of youth entrepreneurship programs.
 - As facilities re-open, enhance information displays in libraries and community centres.
 - Outreach to settlement service providers and ethnic business associations.
 - 3) Enhance MSBC's services to support existing businesses:
 - Continue to develop collaborative programming with Markham's two Business Improvement Areas (BIAs) to promote education, training and support programs (Digital Main Street, Recovery and Resilience Program funding).
 - Expand "Ask the Expert" one-on-one consultation/mentoring program beyond Legal and Accounting access, to technology and digital marketing.
 - Host industry specific events.
 - Present seminar/workshop topics that are more advanced and/or relevant to existing businesses.
 - Capacity permitting, re-establish site visits to existing businesses to bring services to the businesses, to address their common needs and to collect market intelligence, which in turn will benefit the small business community.
 - 4) Improve outreach of MSBC services to Small Businesses in Markham:
 - MSBC will work to increase its profile and raise awareness of its virtual services by undertaking additional marketing efforts and keeping all partners and stakeholders updated on changes.
 - Leveraging temporary staff re-deployment, MSBC has added capacity to activate marketing through social media channels Facebook and Twitter as well as LinkedIn.
 - 5) Work towards further streamlining services and maximizing staff resources
 - In prior years, Provincial funding support to deliver the Starter Company Plus and Summer Company programs included an allocation for program administration support which allowed MSBC to hire a full-time Small Business Assistant position. Due to Province-wide funding reductions from the Ministry of Economic Development, Job Creation and Trade (MEDJCT), to reduce both the number of grants available and program administration funding, there is insufficient Provincial funding available to support the hire of a full-time equivalent in 2021 and onward. As a result, options will be considered including re-allocating workload of existing full-time staff and the use of contracted services to meet our business needs.
 - Continue to nurture existing and seek out new potential partnership opportunities with community organizations such as York University, Seneca HELIX, Markham Board of Trade and ventureLAB to co-deliver programming.

Conclusion

While 2020 has been challenging due to the pandemic, the MSBC has responded swiftly and achieved success supporting small businesses in Markham during these unprecedented times. For the 2021 program year, MSBC plans to assist 850 client inquiries, offer 445 consultations, and deliver 40 seminars/networking events/workshops.

MSBC will also continue promotion and administration/delivery of youth entrepreneurship programs such as Summer Company and Business Plan Competition. MSBC will continue to enhance the programs and services that are offered.

FINANCIAL CONSIDERATIONS

Not applicable

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

The Markham Small Business Centre is a core service within the approved Markham 2020 economic strategy. MSBC's 2021 objectives are in synch with Markham's Sustainability Plan by seeking to foster increased local economic prosperity and to reduce travel to receive services. This initiative aligns with the strategic focus for community engagement to promote meaningful involvement and participation of residents, businesses and organizations that result in improved citizen engagement.

BUSINESS UNITS CONSULTED AND AFFECTED:

Economic Growth, Culture & Entrepreneurship

RECOMMENDED BY:

Christina Kakaflikas
Acting Director, Economic Growth,
Culture & Entrepreneurship

Arvin Prasad, MPA, RPP
Commissioner,
Development Services

ATTACHMENTS:

Markham Small Business Centre 2019-2020 Business Results and 2021 Objectives.pptx