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Triage BR+E Strategic Action Plan
Municipal District of Greenview, Grande Cache Alberta

July 2019



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Background

Community leaders in the Municipal District of Greenview and Grande Cache have been taking strides to accelerate local economic development. Business retention and expansion (BR+E) activities can be employed to ensure business needs are monitored and addressed; however, engagement can be time-consuming and complex.

A BR+E survey was commissioned to engage businesses and report on observations generalizable to the broader business community, while also allowing for the identification of potential expansion or retention intervention opportunities, which staff can follow-up business-by-business. The intention of the survey was twofold:

To gather a statistically significant amount of information from business owners so that future economic development initiatives could be pursued with confidence, knowing they will have the desired impact on the business community.

For each business, identify whether there were green flag and/or red flag issues that local economic developers could quickly follow-up on and attempt to address. These green and red flag responses would identify businesses that reported growth opportunities (green) or challenges that might result in downsizing, relocation, or closure (red).

Methodology

MDB Insight has developed a new and unique approach to the development of business retention and expansion strategies through a process known as Triage BR+E. Triage BR+E refers to the immediacy of the findings and strategy development through the use of Computer Assisted Telephone Instrument (CATI) survey. This allows for a statistically significant sample of businesses to be surveyed and identify challenges, gaps, and opportunities that the local economic development organization can focus on. It also allows the identification of green flag and red flag issues that could impact a business's decision to grow/remain in the community and for an immediate follow-up to take place.

This project required the development of a unique internal communications plan that would allow for the identification of businesses with both green and red flag issues to be identified during the survey process, gain their consent to have their information shared with their local economic development organization, and provide the opportunity for their concerns or issues to be addressed in real-time. This is an advantage that the majority of other BR+E programs lack.

In total, 40 business owners/managers were successfully surveyed out of an initial sample of 136, resulting in a margin of error of +/- 10%, 19 times out of 20.

The survey was administered during June of 2019.

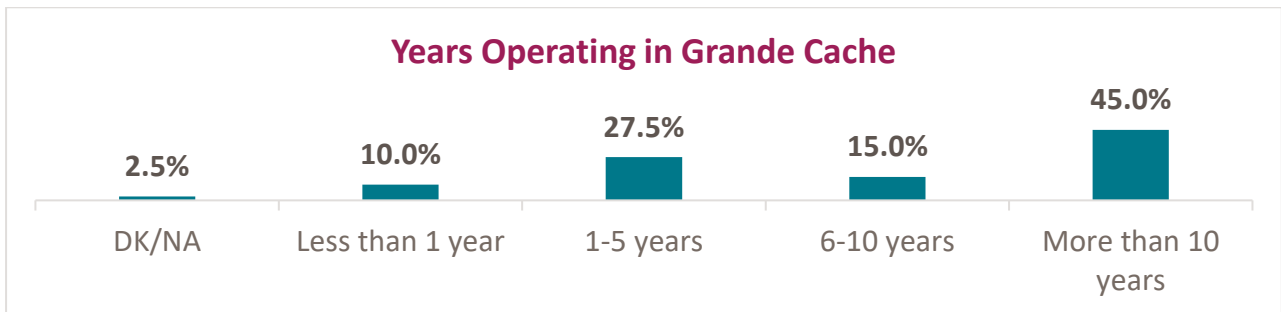


Triage BR+E Findings

Business Profile

Balanced Business Stages

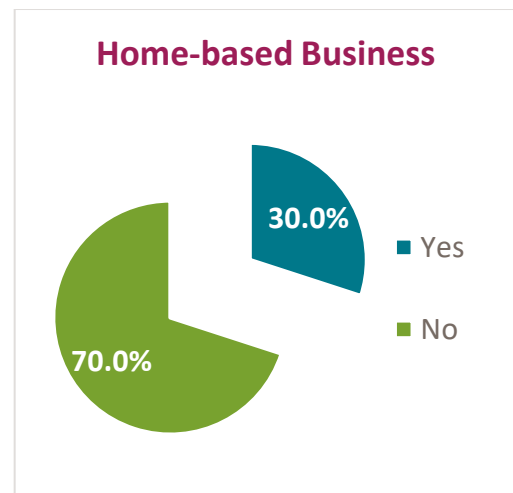
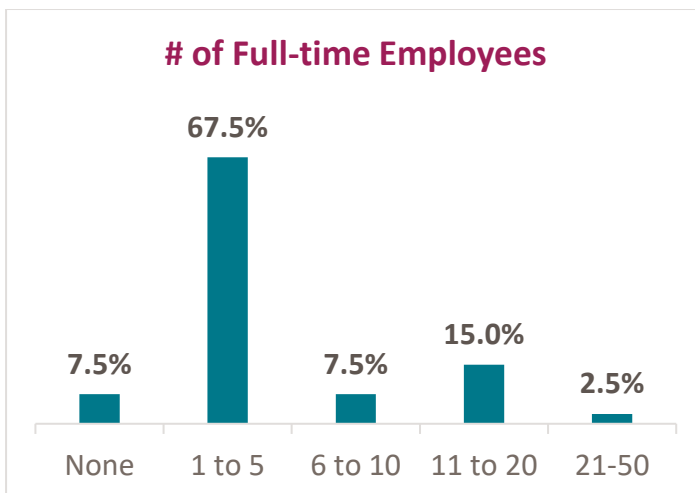
Businesses surveyed consisted of a cross-section of both established and newer businesses. Businesses still in the start-up phase (less than 1 year) made up 10% of the total. Businesses likely stabilizing or in the growth phase (1-5 years) represented 27.5% and established businesses (over 6 years old) represented 60% of the total respondents.



n=40 respondents

Small Employee Size

The majority of businesses surveyed were small, with 75% having five or fewer employees. 30% were home-based.

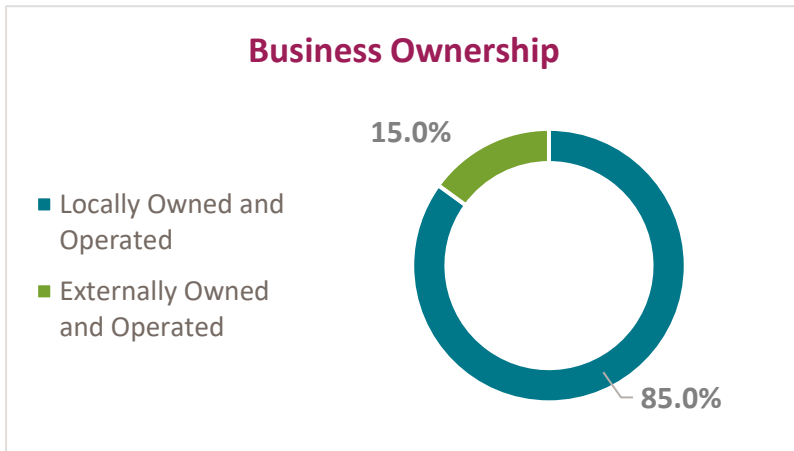


n=40 respondents



Predominately Local Ownership

Business ownership among survey respondents was mostly locally owned and operated at 85%, with only 15% of businesses being externally owned and operated. The strong local ownership of the business community is an important contributing factor to the potential success of the Triage BR+E



process. Local ownership implies that decisions are made at the local level rather than through a corporate headquarters or branch plant in another jurisdiction. The Triage BR+E process which identifies red and green flags and opportunities for intervention are likely to lead to a discussion with a decision-maker rather than potentially getting lost through corporate communication channels.

n=40 respondents

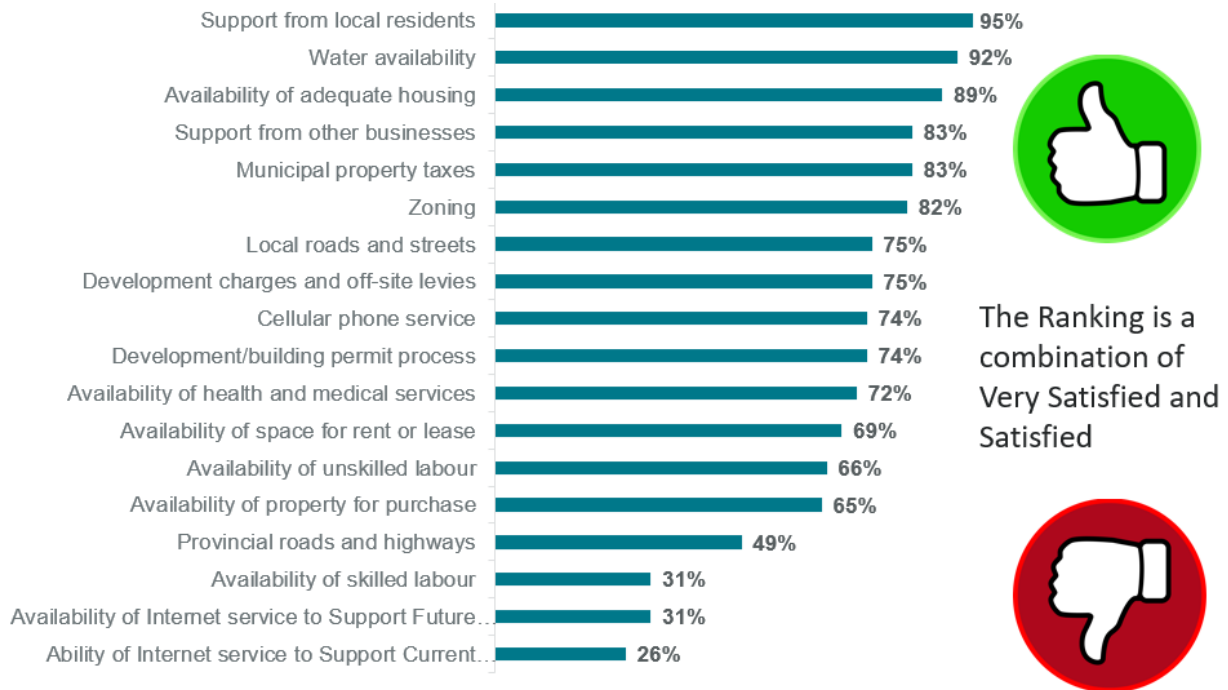
Key Findings

Finding	Commentary
Overall, business satisfaction is fairly strong at 85% combined Satisfied and Very Satisfied.	This level of satisfaction is lower than has been observed in other communities where the Triage BR+E has been deployed, including other communities in Alberta
30% indicate their level of satisfaction is more positive than 12 months ago, compared to 15% indicating more negative; representing a net improvement of 15%.	This is a strong level of more positive satisfaction and a relatively big net improvement. 15% more negative satisfaction is not insignificant.
Businesses were asked to rate their satisfaction on 18 different factors affecting their business performance. Four of these factors had a satisfaction level of less than 50% satisfaction.	Four business satisfaction factors below 50% are significant and higher than observed in most other communities.



Performance of Business Factors

Performance represents the combination of somewhat satisfied and very satisfied responses to questions about specific business factors within Grande Cache (MD Greenview). The table below identifies overall performance for the 18 business factors that the survey asked businesses to rate as either very satisfied, somewhat satisfied, somewhat dissatisfied and very dissatisfied.



Priority Matrix

The priority matrix was developed utilizing the derived importance methodology. Derived importance gives insight into the services that drive re-investment and overall business satisfaction. Derived importance measures how well the community is performing on services by analyzing the correlation of business responses to questions of overall satisfaction and subsequent questions about satisfaction with individual business factors as well as the relation to the overall cohort of business responses. Utilizing performance of business factors and relative importance enables economic development staff to focus on the areas with the highest priority.



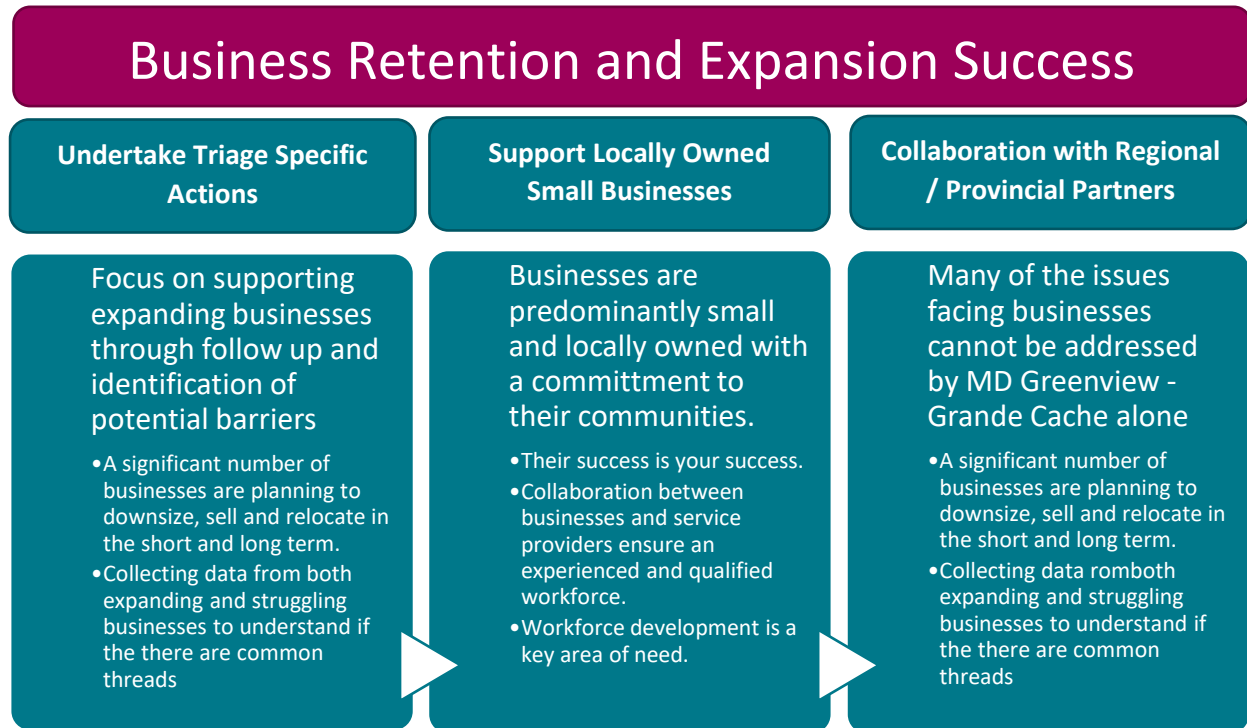
	Performance	Importance	Priority
Ability of Internet service to Support Current Business Needs	26%	2.08	1
Availability of Internet service to Support Future Business Needs	31%	1.70	2
Development charges and off-site levies	75%	4.45	3
Support from other businesses	83%	4.42	4
Availability of property for purchase	65%	2.10	5
Provincial roads and highways	49%	1.34	6
Municipal property taxes	83%	3.48	7
Availability of skilled labour	31%	0.63	8
Development/building permit process	74%	1.39	9
Availability of health and medical services	72%	1.06	10
Support from local residents	95%	4.81	11
Local roads and streets	75%	0.67	12
Water availability	92%	1.09	13
Availability of space for rent or lease	69%	0.21	14
Availability of unskilled labour	66%	0.08	15
Cellular phone service	74%	0.02	16
Zoning	82%	0.00	17
Availability of adequate housing	89%	0.00	18

Action Plan

The business retention and expansion action plan is intended to be a guiding document for the MD Greenview – Grande Cache to engage local businesses and address concerns, challenges, and gaps that will improve the region’s economy. The goal of business retention and expansion is to support the growth of local businesses. The success of businesses will increase local tax revenues, create jobs, and help support the vibrancy of MD Greenview – Grande Cache.



Action Plan Overview



Immediate Business Follow Up

The Triage BR+E Survey indicated 40% of businesses presented with a Red Flag. Red flags indicate businesses considering relocating, downsizing, selling, or closing. A business that has a lease that is expiring within a year would also generate a red flag. These businesses are the key place to start in the Business Retention and Expansion program and need to be contacted first with three key steps:

- Understand and prepare the supports that are available in MD Greenview – Grande Cache that could address the individual issues they face.
- Coordinate outreach with other economic development and business support agencies to address challenges regionally.
- Select and focus on key performance indicators to track progress.

The table below contains all Red Flag businesses located in MD Greenview – Grande Cache that allowed their contact information to be shared with local economic development staff. In total there were 15 businesses that presented red flags but four chose to remain anonymous and are not included in the



table below. All business names are withheld in this document to maintain the confidentiality of business responses but were included in the accompanying data files.

Critical Path for Red Flag Businesses

	When will your lease expire?	Plans for the next 24 Months	Timeline for Downsizing	Timeline for Relocation	Timeframe for Selling	Timeline for Closing
Business ID # 62	N/A	Closing				More than 6 months from now
Business ID #97	N/A	Downsizing	More than 6 months from now			
Business ID #99	3 to 5 years	Closing				Within the next six months
Business ID #21	Less than a year	Maintaining Operations				
Business ID #23	N/A	Downsizing	Within the next 6 months			
Business ID #45	N/A	Relocating		More than 6 months from now		
Business ID #66	Less than a year	Closing				More than 6 months from now
Business ID #67	Less than a year	Maintaining Operations				
Business ID #113	Less than a year	Relocating		Within the next 6 months		
Business ID #114	N/A	Selling			More than 6 months from now	
Business ID #124	Less than a year	Selling			Within the next 6 months	

The survey also indicated 10% of the businesses are Green Flags or businesses considering expanding within the next two years. These businesses present the greatest opportunity for an intervention to leverage a potential expansion and ensure that it moves forward. The steps involved with addressing green flag businesses are the same as red flags but will require different resources based upon individual follow up with businesses and answers to the following questions:

- Are you experiencing difficulties?



- Will your expansion require:
 - Additional land
 - Additional buildings
 - A building permit, rezoning application or other planning-related process
 - Increase in workforce/hiring
 - Access to financing that has not already been secured

The table below contains all Green Flag businesses located in MD Greenview – Grande Cache that allowed their contact information to be shared with local economic development staff. In total there were four businesses that presented green flags with one business choosing to remain anonymous and are not included in the table below. All business names are withheld in this document to maintain the confidentiality of business responses but were included in the accompanying data files.

Critical Path for Green Flag Businesses Experiencing Difficulties with Planned Expansion

Company Name	Plans for the next 24 Months	Timeline for Expansion
Business ID #64	Expand	More than 6 months from now
Business ID #108	Expand	More than 6 months from now
Business ID #112	Expand	More than 6 months from now

Triage Specific Actions

This group of actions involve those businesses that have presented either a Green Flag or Red Flag during the survey process. While each business will have individual needs, there are some broad-based actions that can be taken to support businesses with similar challenges or opportunities.

Triage Specific Actions		
Data	Interpretation	Action
<ul style="list-style-type: none"> ▪ 4 businesses in MD Greenview – Grande Cache have planned expansions. 	<ul style="list-style-type: none"> ▪ Business expansion may apply to buildings, land, personnel or other aspects and may involve direct contact with municipal services. 	<ul style="list-style-type: none"> ▪ Conduct one-on-one follow-up with these businesses to understand and address barriers to expansion. ▪ Highlight successful expansions in the community and local media.
<ul style="list-style-type: none"> ▪ 4 businesses are planning to relocate out of MD Greenview – Grande Cache, 1 within the next 6 months. 	<ul style="list-style-type: none"> ▪ A significant number of businesses are looking at multiple location strategies to address their issues. 	<ul style="list-style-type: none"> ▪ Conduct one-on-one follow-up with local businesses to understand the gaps and challenges. ▪ Focus on the two businesses planning to relocate and close in the next 6 months.



<ul style="list-style-type: none"> ▪ 3 businesses are planning to sell, 1 within the next 6 months. ▪ 2 businesses are planning to downsize, 1 within the next 6 months. ▪ 3 businesses are planning to close, 1 within the next 6 months. 		<ul style="list-style-type: none"> ▪ Use collected data to identify actions and programming to fill gaps.
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Areas of Strategic Action

This group of actions are intended to address the areas where coordinated and strategic activities over time can effect change on the performance and satisfaction of the business community as a whole.

Support Locally Owned Businesses		
Data	Interpretation	Action
<ul style="list-style-type: none"> ▪ 85% of businesses own their property. 	<ul style="list-style-type: none"> ▪ Businesses that own their properties have a vested interest in their maintenance and viability. 	<ul style="list-style-type: none"> ▪ Discuss the development of a building improvement program to encourage development in the community.
<ul style="list-style-type: none"> ▪ “Availability of skilled labour” was tied for the second-lowest performing factor at 31%. ▪ “Availability of unskilled labour” also performed near the bottom of business factors. 	<ul style="list-style-type: none"> ▪ Businesses are having difficulty with retention of both skilled and unskilled workers to fill their current positions as well as recruitment challenges to fill open positions. 	<ul style="list-style-type: none"> ▪ During follow-up with local businesses determine, more specifically, the workforce issues around hiring, training, or other HR activities. ▪ Connect businesses with relevant career development services to address gaps in the workforce include training providers. ▪ Complete a workforce development analysis to identify if there are occupations or industries experiencing particular challenges. ▪ Connect with employment service providers to identify potential labour supply.



<ul style="list-style-type: none"> 45% of businesses were in operation for more than 10 years and 15% from 6-10 years. 	<p>With 60% of businesses have been in operation for more than 6 years, the business community is fairly mature and has unique needs from start-ups or new businesses.</p>	<ul style="list-style-type: none"> Conduct a cost competitiveness assessment with similar communities to determine if the community is more expensive than other areas in the province. If competitive, focus as a communications issue. If not competitive, identify the challenge to Council and identify opportunities for improvement. Celebrate business milestones such as reaching 5 or 10 years of operation.
<ul style="list-style-type: none"> 30% of businesses were home-based. 	<ul style="list-style-type: none"> With 3 of 10 businesses being home-based, they are not as visible as storefronts and require opportunities to bring them out into the broader business community. 	<p>Focus on creating networking opportunities for home-based businesses.</p> <ul style="list-style-type: none"> Work with regional partners to explore opportunities for co-working space and small/micro-scaled manufacturing spaces.
<ul style="list-style-type: none"> Development Charges and off-site levies ranked as the business factor with the highest derived importance. 	<ul style="list-style-type: none"> Municipalities have the ability to manage local charges and budgets to address the costs of doing business. 	<ul style="list-style-type: none"> Conduct a review of neighbouring municipalities to identify the competitiveness of the development permit fees and charges. Prioritize the delivery of communications that reflect the community's competitiveness.



Collaboration with Partners		
Data	Interpretation	Action
<ul style="list-style-type: none"> Provincial roads and highways rated as the fourth lowest-performing business factor (49%) while local roads and streets performed significantly higher (75%). 	<ul style="list-style-type: none"> At below 50% satisfaction, there are concerns with the road network bringing goods, services, and people in and out of the community while the transportation network within the community is performing well. 	<ul style="list-style-type: none"> Engage with Ministry of Transportation officials to identify if road improvements are scheduled and communicate this information to businesses.
<ul style="list-style-type: none"> “Availability of internet service to support current business needs” and “Availability of internet service to support future business needs” were identified as the two lowest-performing factors with 26% and 31% respectively. 	<ul style="list-style-type: none"> Local businesses are not satisfied with their internet service and lack confidence that they can continue to operate and grow their businesses without improvements in internet service. 	<ul style="list-style-type: none"> Continue to engage with local internet service providers to identify if improvements to the internet infrastructure are planned and if so, communicate information to the business. Conduct a study to identify the market demand for internet services among businesses Investigate best practices for community-owned internet infrastructure Monitor the CRTC’s Broadband Fund for the opening of the application process.
<ul style="list-style-type: none"> Twice the number of businesses reported their sales had decreased over the past 12 months compared with businesses who reported a sales increase. 	<ul style="list-style-type: none"> Businesses generally had a down year over the past 12 months, which could be an indication of the larger economic climate or related to a specific industry event. 	<ul style="list-style-type: none"> Reach out to neighbouring communities to identify whether the down business trend is isolated to MD Greenview – Grande Cache or is similar to other local municipalities.



<ul style="list-style-type: none"> ▪ A significant number of businesses (15 red flags) are struggling and could benefit from strategic support. 	<ul style="list-style-type: none"> ▪ A business plan acts as the “operations manual” of a business. Without a business plan there is often very little strategic planning guiding the business. ▪ Without a marketing plan, a business does not have a written process or targets that will drive the success of the business. ▪ A succession plan outlines the process of transferring ownership of a business to a new owner and contains all the relevant information to ensure the business can continue operating successfully. Without a succession plan, a business is more likely to close when the owner decides to sell or cease operations. 	<ul style="list-style-type: none"> ▪ Develop contingency plans for local businesses that may be looking to sell, close, or relocate their businesses in more than 6 months. ▪ Connect business owners who want to sell to Immigration officials who work with incoming business immigrants ▪ The importance of having the necessary plans and documentation in place for the successful operation and growth of a business is critical. During business visitations and follow-up, determine if the business has made any efforts to implement at the very least a business plan. ▪ Provide businesses with easy access to templates and examples of plans that they can use to create their own business, marketing, and succession plans. ▪ In collaboration with local businesses identify the exact challenges where businesses need more support. This could result in a buy local initiative, street festivals, or other events that have the opportunity to bring residents and businesses together and support the local community.
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Key Performance Indicators

The continued success of MD Greenview – Grande Cache business retention and expansion initiatives will be dependent on the effective use of Key Performance Indicators (KPI) to measure the impact of the actions of the local economic development office and its local partners. KPIs provide an opportunity to use real-world metrics as a measure of success. It is recommended that MD Greenview – Grande Cache sets attainable goals that are in line with each of the listed KPIs below. This will result in acute and accurate information to understand the success that the business retention and expansion efforts are having in the community.

During subsequent business follow-up visits and phone interviews, it is important to determine the success of local business retention and expansion efforts. These key performance indicators will inform MD Greenview – Grande Cache with the information to measure success over time.

1. Use of CRM (Client Relationship Management) tool as a client management and business retention tracking tool
2. Increased revenues of businesses
3. Increased full-time and part-time employment



4. Increased business start-ups and entrepreneurs operating in MD Greenview – Grande Cache
5. Successful business outreach efforts reduce business closures and re-locations leading to businesses remaining in their communities
6. Increased exports and sales into provincial, national, and international markets
7. Increased business visits and phone calls to local businesses
8. Increased percentage of businesses with a good or excellent opinion of MD Greenview – Grande Cache as a place to open and operate a business
9. Conduct future surveys that are based on the Derived Importance model to determine the effectiveness of MD Greenview - Grande Cache's ability to address concerns of local businesses