



Township of Southgate

Business Retention and Expansion Project

Final Report

July 2024



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Message from the Mayor



Thank you for taking an interest in the Township of Southgate's Business Retention and Expansion (BR+E) project. We are very pleased to share with you the results of our project, which was wholly informed by the successes, challenges, and day-to-day experiences of Southgate's business community.

Our BR+E journey provided a great learning experience for our Township, as well as the many community partners who support our local businesses. We heard about opportunities with incoming growth, challenges with labour and land availability, and an eagerness to make enterprises a success right here in Southgate.

Our business community is as diverse as our people. This includes both long-time and new residents, from all walks of life. These are businesspeople who operate everything from trades-based businesses and professional services, to agricultural operations and retail establishments, and nearly everything in between. I would like to take a moment to thank them, the backbone of our local economy, for choosing Southgate as their business home.

Finally, I would like to emphasize that I see a great future for our local economy in Southgate! With many new residents eagerly joining our growing community, and major residential and commercial development on the horizon, I see a bright future for our local businesses that all of Southgate will get to share in. I look forward to sharing in this success with you all.

Yours in service,

Brian Milne
Mayor, Township of Southgate

Acknowledgements

Thank you to all the business owners and operators that took the time out of their busy schedules to give such constructive feedback for the creation of this report and actions to be implemented. The economic development department was grateful for the support from Southgate Council, the entire staff team at the Township, OMAFRA, and the regional resource network. We appreciated the beautiful images of the Township that illuminate the pages of this report, which were kindly provided by the County of Grey. Special thanks to Crystal Ellis from OMAFRA for guidance throughout this project and to Mary Green for formatting assistance.





Introduction

What is a BR+E program?

A Business Retention and Expansion (BR+E) is a program to collect and analyze data from the business community within a service area to create action plans that foster a positive environment for business development, job creation, and investment. The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) offers supports to rural municipalities to complete BR+E projects that assist with economic development planning ([Business Retention and Expansion program | ontario.ca](https://www.ontario.ca/business-retention-and-expansion-program)). A BR+E helps to strengthen municipal relationships with local businesses while working to respond quickly to perceived red flags and make referrals to relevant services where necessary.

Background

The Township of Southgate launched the 2024 BR+E program to examine how best to retain businesses within its service area, while strengthening the local economic ecosystem and encouraging expansion. In the 2023-2027 Community Strategic Plan, the Township's established action item 1.A to "Conduct a Business Retention and Expansion (BR+E) study and implement the results from the study." This action is foundational for the strategic priority of building a thriving economy through "Goal 1: Support the growth and development of existing businesses in Southgate." The BR+E also enabled staff to circulate information about Community Improvement Plan (CIP) grants and regional business supports. Thus, action items 1.A and 1.C were initiated in the process of surveying businesses for the BR+E.

Community Strategic Plan Goal:

A thriving economy – Goal 1: Support the growth and development of existing businesses in Southgate.

Community Strategic Plan Action Item:

1.A Conduct a Business Retention and Expansion (BR+E) study and implement the results from the study

Additional Action Items Addressed:

1.C Ensure the distribution of technology and services to local businesses by referring them to the correct supports.

4.B Increase participation in Southgate's Community Improvement Plan (CIP) Program (e.g., Tax Increment Equivalent Grant Program, Façade & Building Improvement Grants, etc.) in Dundalk and across the Township through enhanced promotion.

Objective:

The Township of Southgate launched the BR+E to uncover the opportunities and challenges faced by local businesses, while providing referrals and supports to business owners and operators as needed. The Township will use the results of the survey to create and implement concrete plans to enhance the experience of business owners and operators. This BR+E targeted a broad selection of businesses from a variety of sectors across the Township. With approximately 200 businesses identified through the Township business directory, staff aimed to survey at least 40-60 of them. The process would ultimately strengthen the relationship between the Township and the business community.

Project Design

Survey Development (November – December 2023)

The Township of Southgate Economic Development Officer (EDO) became the project coordinator for the BR+E and established a leadership team of staff from relevant departments. This group – which was comprised of the Chief Administrative Officer (CAO), Chief Building Official (CBO), Planner, and OMAFRA Representative – supported the project coordinator in the development of the survey. The leadership team chose to make the survey as short as possible to accommodate the busy schedules of small business owners and operators, while still offering them the opportunity to give feedback and connect directly with Township staff. The survey was compiled of the mandatory retention survey questions as outlined by OMAFRA, with two additional questions added by Southgate staff to understand which regional services business owners and operators were utilizing, if any. Additional questions were added only for manufacturing businesses, as manufacturing is one of the largest and fastest growing industries in Southgate.

The project coordinator established a resource network made up of regional organizations that provide services to Southgate businesses. Members of the resource network from the list below provided relevant promotional materials to be handed out to businesses as needed. The project coordinator notified this network that businesses would be given links and promotional materials for the organizations if it became apparent through the survey that individual businesses would benefit from their services.

Resource Network:

- Grey County
- Business Enterprise Centre (BEC)
- Saugeen Economic Development Corporation (SEDC)
- South Grey Chamber of Commerce (SGCC)
- Southgate Ruth Hargrave Memorial Library - Dundalk
- Digital Main Street/ Digital Service Squad (DMS/DSS)
- Grey Agricultural Services
- Regional Tourism Organization 7 (RTO7)
- YMCA of Owen Sound Grey Bruce - Employment Services



Data Gathering & Follow-up (January – March 2024)

The Township launched the BR+E by informing businesses via email about the project at the beginning of January 2024. The businesses received a copy of the survey and a link to the Southgate website for more information. Following which, details about the survey were made available via sponsored social media posts and through paid advertisements in the Dundalk Herald. The project coordinator conducted downtown walks of Dundalk and Holstein to inform businesses about the BR+E and book survey appointments if possible. The remainder of businesses were contacted via walk-in, phone, and email to set-up interview times.

The project coordinator conducted 73 BR+E surveys from January 12 to March 26, 2024. Most of the surveys were conducted as interviews, 41 of which were completed in-person (mainly in the businesses) and 27 of which were completed over the phone. Of the remaining five surveys, one was completed online and four were completed by paper and picked up from each business.

After the interview, the project coordinator was able to address any specific issues that the business was facing and share information about the local programming that would benefit their operations. Once the project coordinator returned to the office, survey results were entered into a database for analysis. Finally, the project coordinator emailed business owners and operators within one business day with more details about programs that were relevant to them that they had not yet accessed (with the exception of businesses that did not share their email addresses with the project coordinator.)

The following table shows the number of businesses that were given information about specific regional supports and opportunities via email following the interview.

Follow-up Information Given:

Program	# Business Given Info
Community Improvement Plan (CIP)	55
Business Enterprise Centre (BEC)	41
Digital Main Street (DMS)/ Digital Service Squad (DSS) (or CDAP)*	41
South Grey Chamber of Commerce (SGCC)	29
Saugeen Economic Development Corporation (SEDC)	6
Grey Agricultural Services	2
South Grey Home & Garden Show (through SGCC)	13
YMCA Employment Services	8
Succession Planning Resources	6
Other	11

*Once opportunities for digital assistance offered through Digital Main Street (DMS) and the Digital Service Squad were about to close, businesses were given information about the Canada Digital Adoption Program (CDAP) – a similar initiative. In some cases, they were given information about all three programs.



Results Summary

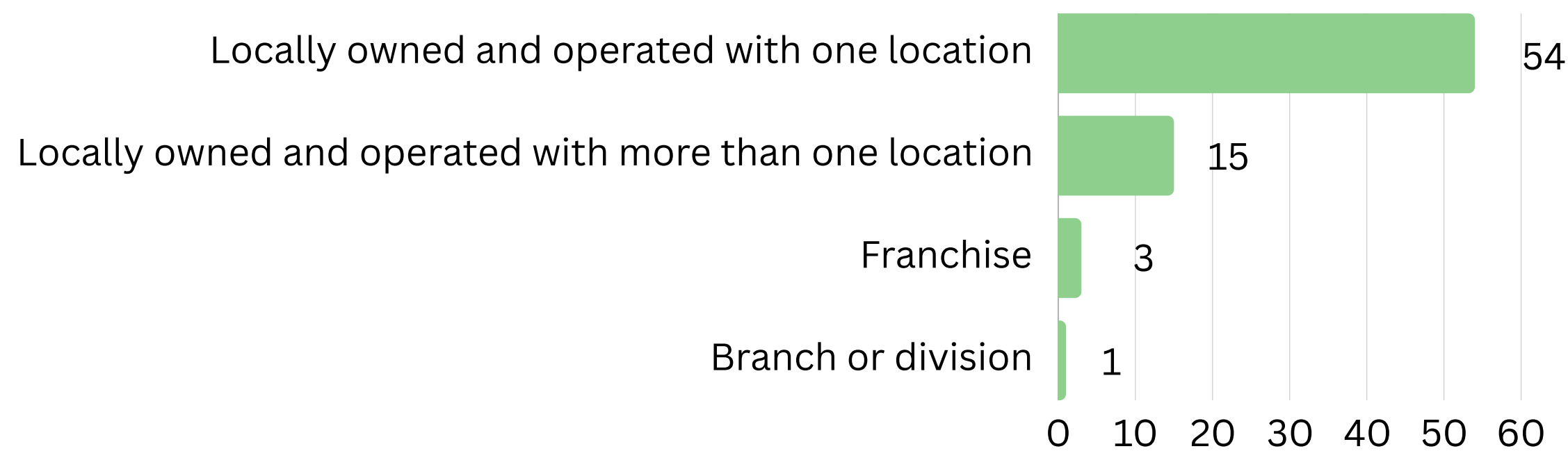
Analysis and Action Formulation (April – June 2024)

After the survey responses were gathered and compiled, the project coordinator analyzed the qualitative and quantitative data to identify trends and priorities for businesses. Following which, actions were developed in response to these priorities.

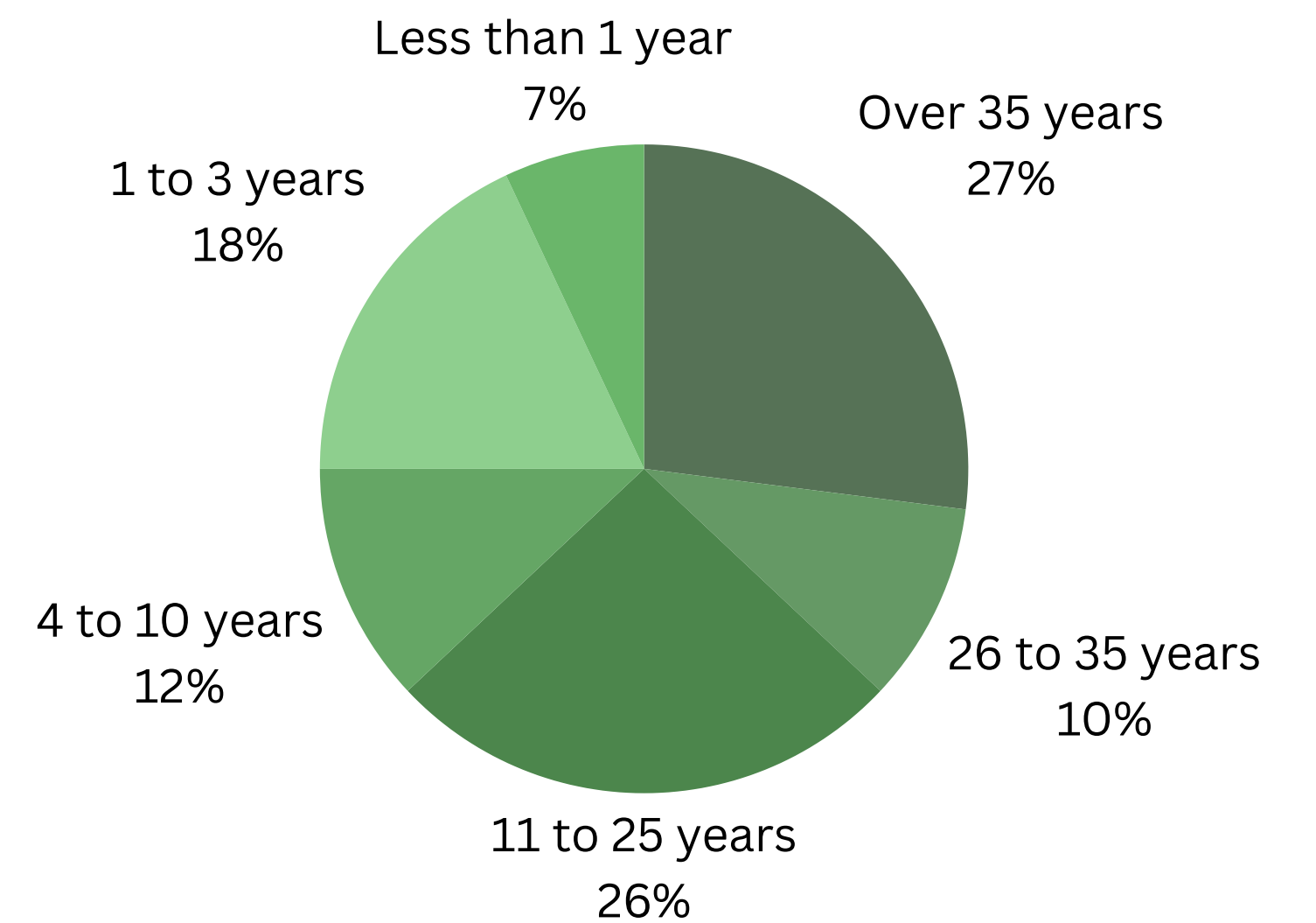
Snapshot of Surveyed Businesses

- 73 businesses from various sectors/locations
- 48 in Dundalk, 9 in Holstein, 3 in Conn, 13 in other areas
- 95% were locally owned/operated
- 86% had a local/regional market
- 37% had been in operation for over 25 years

Business Structure:

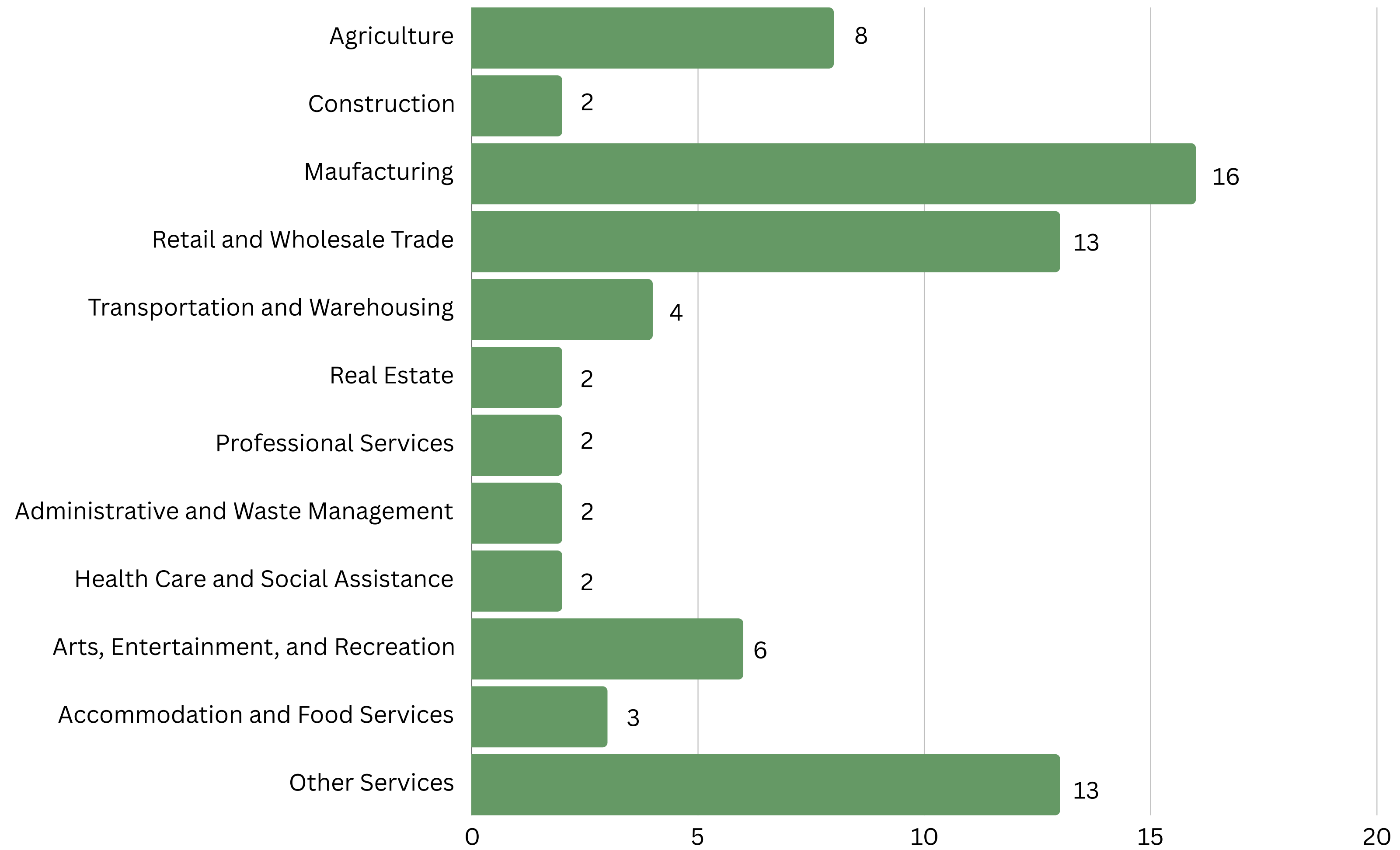


Years of operation in Southgate:



Business Categories:

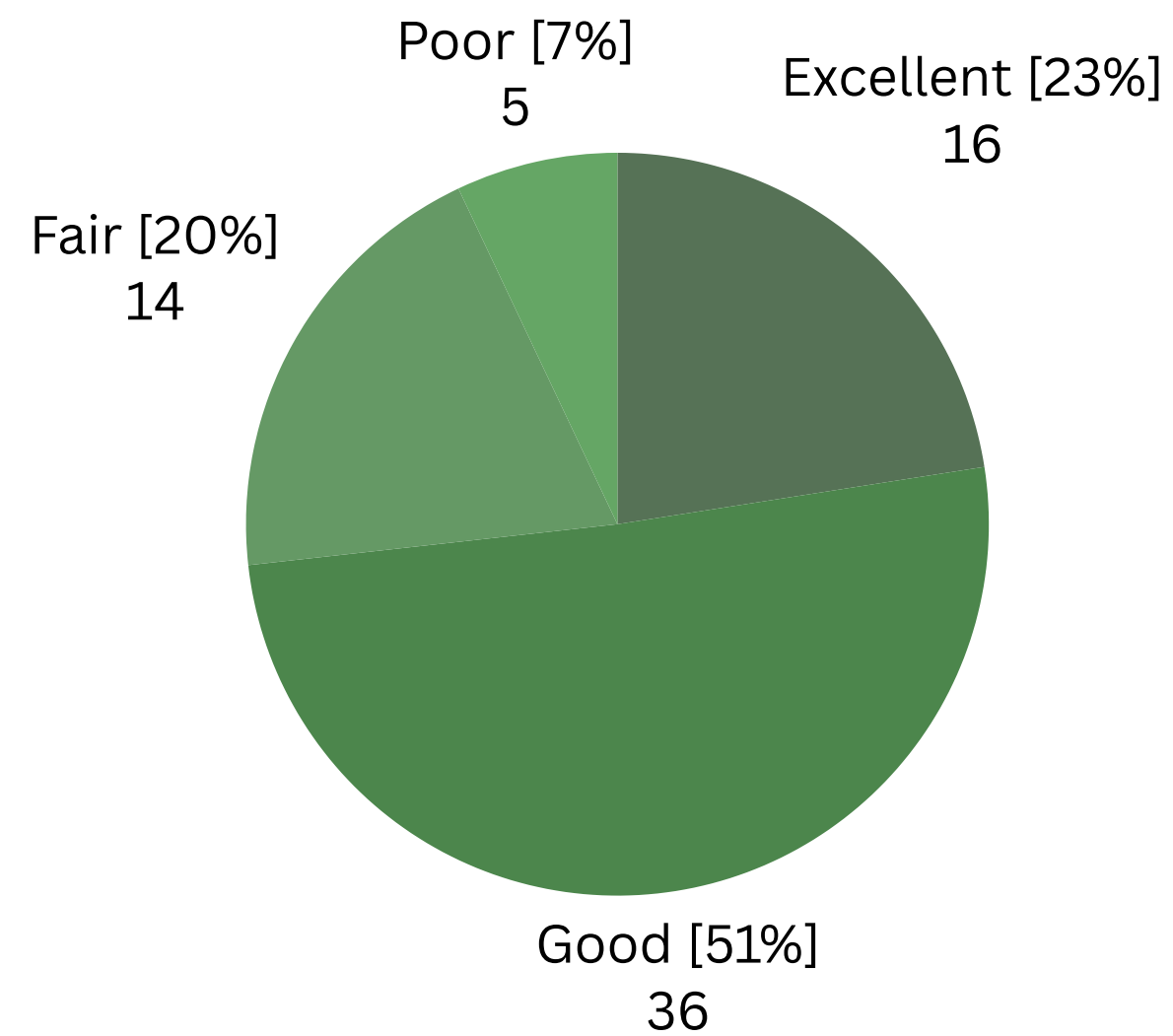
73 Responses



Business Outlook

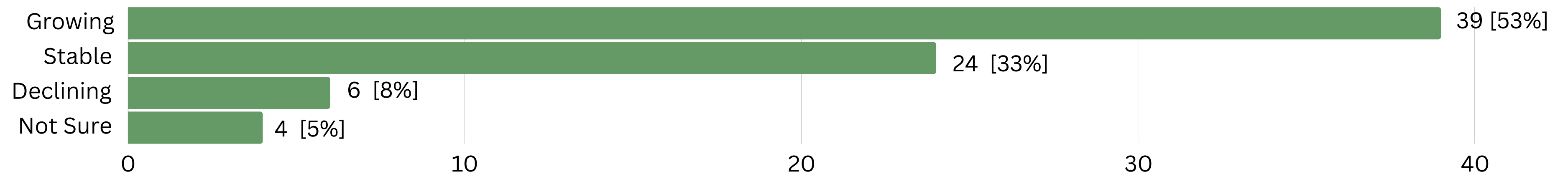
General impression of Southgate as a place to do business:

71 Responses



- Approximately, 74% stated that their impression of Southgate as a place to do business was "good" or "excellent."

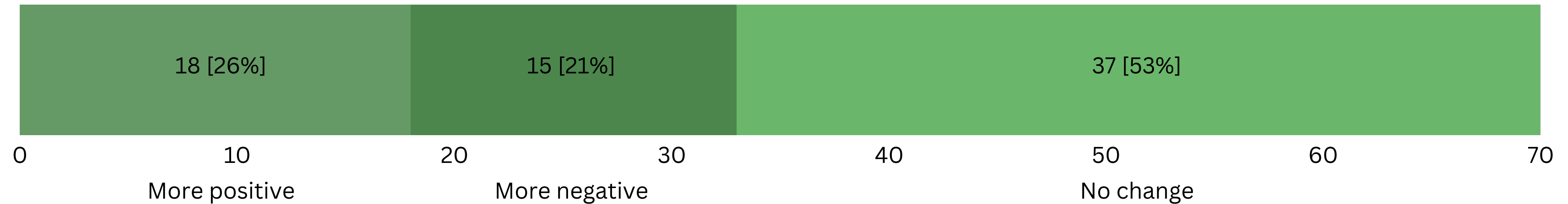
Outlook for industry:



- Primary reason for the "growing" outlook was population growth and development.

Business Outlook

Business attitude over the past three years has become:



Reasons for positive change in attitude:

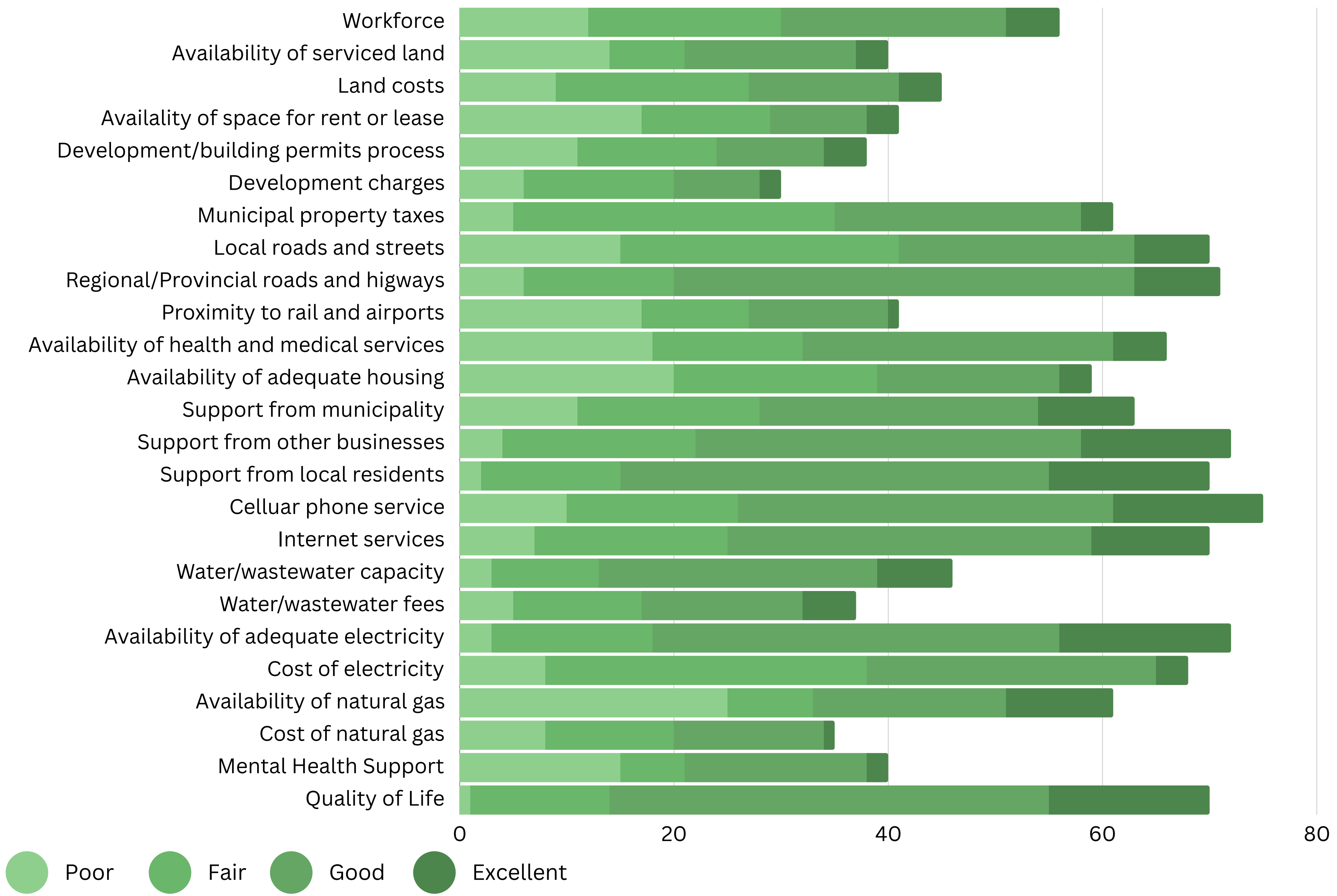
- Growth in the community and increased customer-base
- Seeing additional developments and improvements, updates to roads and services
- Rise in small-scale manufacturing increasing business (i.e. transportation, accounting)
- Supportive clients that want to make the community better
- Residential expansion bringing more work to related sectors
- Proximity to the GTA has positively impacted hiring and market reach

Reasons for negative change in attitude:

- Lack of recognition for businesses' contributions to the community
- Increase in municipal rules and red tape (particularly related to building/planning)
- Fewer new customers than expected, many new residents are not shopping locally
- Attitude of customers has become more demanding
- Disrepair of downtown buildings and high number of vacancies
- Commercial centres not located on provincial highways like other communities
- Federal taxes and regulation have increased the cost of doing business

Rating the factors of doing business in the community:

72 Responses



*Not shown: respondents that did not answer or selected "not applicable".

Factors of doing business – positive (good to excellent):

- (51/71) Regional roads/highways
- (50/72) Support from other businesses
- (55/70) Support from residents - While businesses wanted new residents to shop locally, many said that they had a longstanding customer-base.
- (43/69) Cellphone service
- (54/72) Availability of adequate electricity
- (56/70) Quality of life

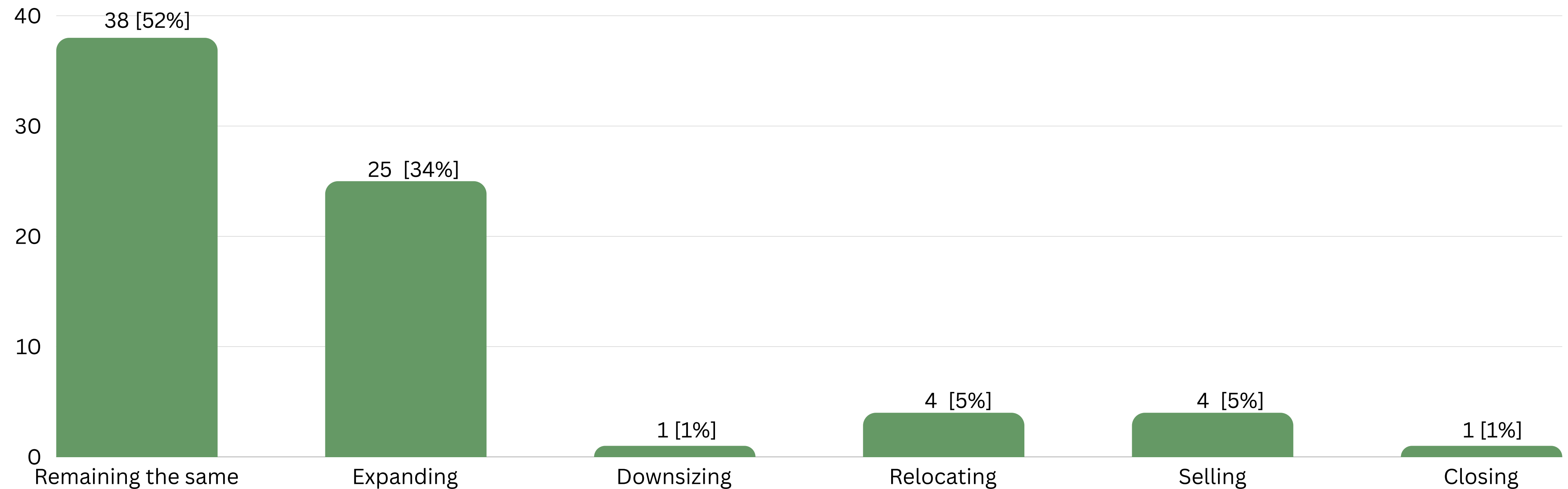
Factors of doing business – negative (poor to fair):

- (26/61) Municipal property taxes
- (29/70) Local roads and streets - Noted as an outcome of growth in manufacturing, as roads cannot endure increasing heavy truck traffic.
- (20/59) Availability of adequate housing



Future Plans

Plans in the next 18 months:

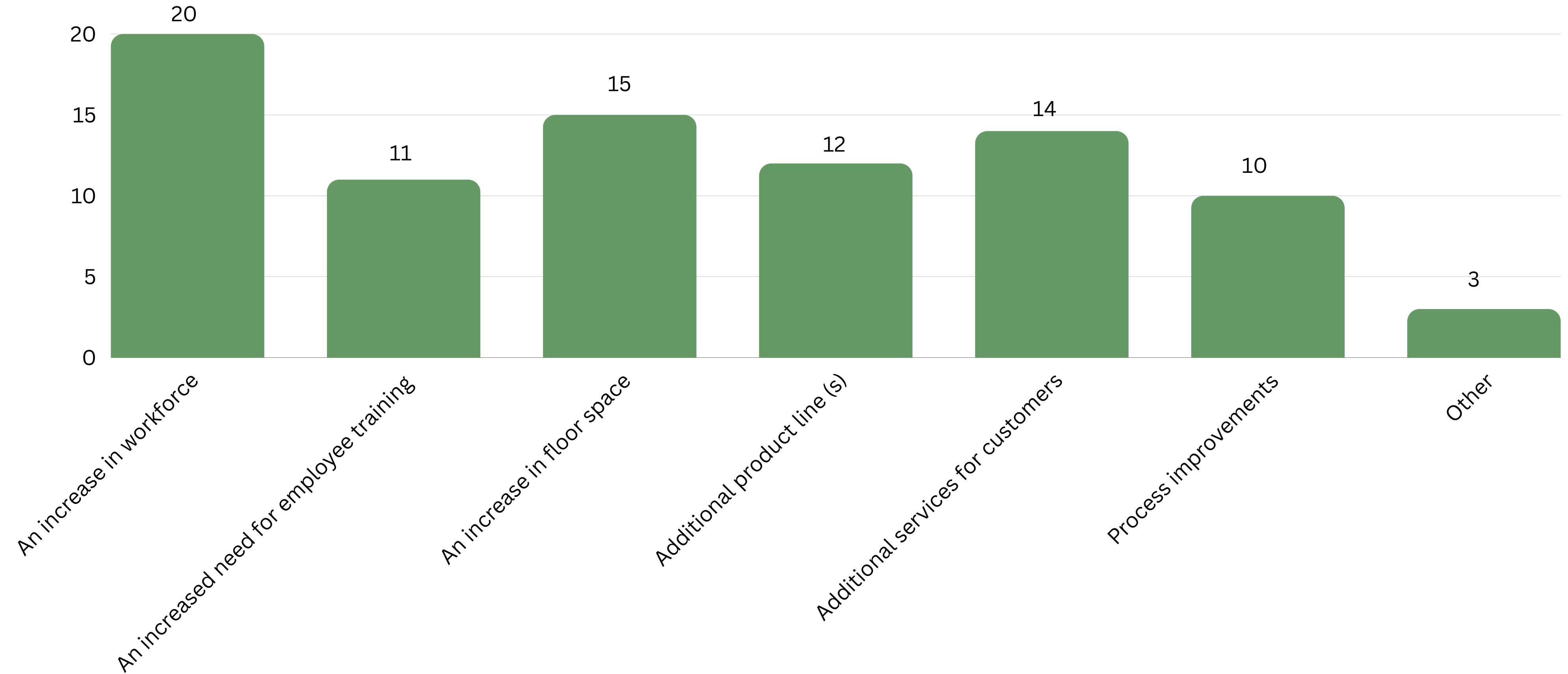


- Primary reasons for remaining the same included: 1) Uncertainty about market conditions and the economy, 2) Satisfaction with current workload and operations, 3) Lack of space in which to expand, 4) Absence of a succession plan.
- The majority of businesses (38 out of 73) planned to remain the same over for the next 18 months.
- The one business downsizing was due to business owners expecting a baby, so they were scaling back operations for a time.
- Two of the 4 businesses that were planning to relocate, were hoping to move within the community. One was moving to a larger facility in a neighbouring municipality, and the other was exploring options.
- The businesses planning to sell were doing so due to retirement, workload, health issues, and to pursue other opportunities.
- The business closing was due to a move, the owner/operator said that they would sell if they could find a suitable buyer.

Future Plans

Expansion will require or lead to (could select multiple):

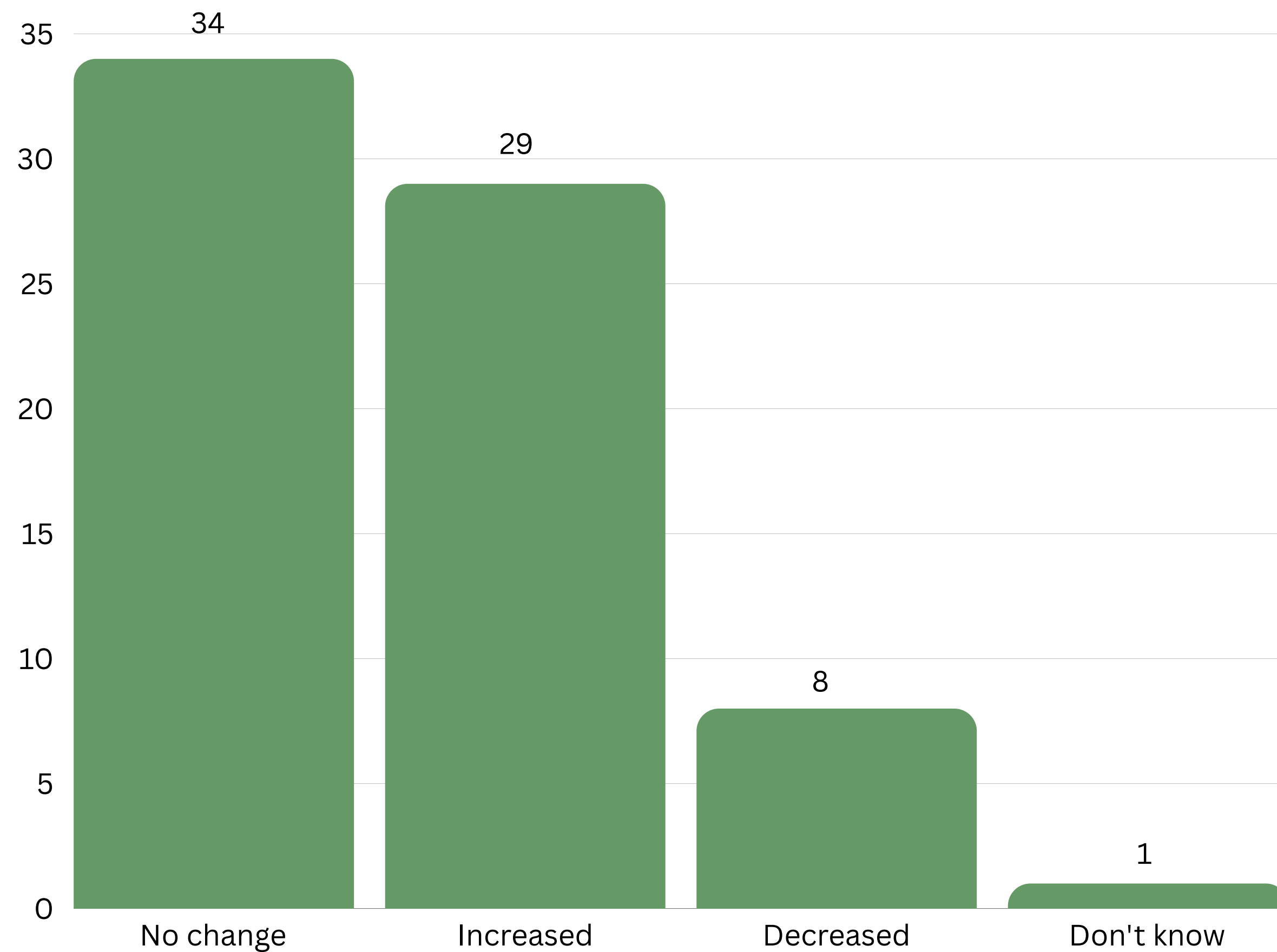
25 Responses



- 20 of 25 said expansion would cause “an increase in workforce.”
- Responses (3) for "other": (1) More partnerships with other home-based businesses, (2) Increase in workforce in other, related businesses, (3) Improvement to machinery

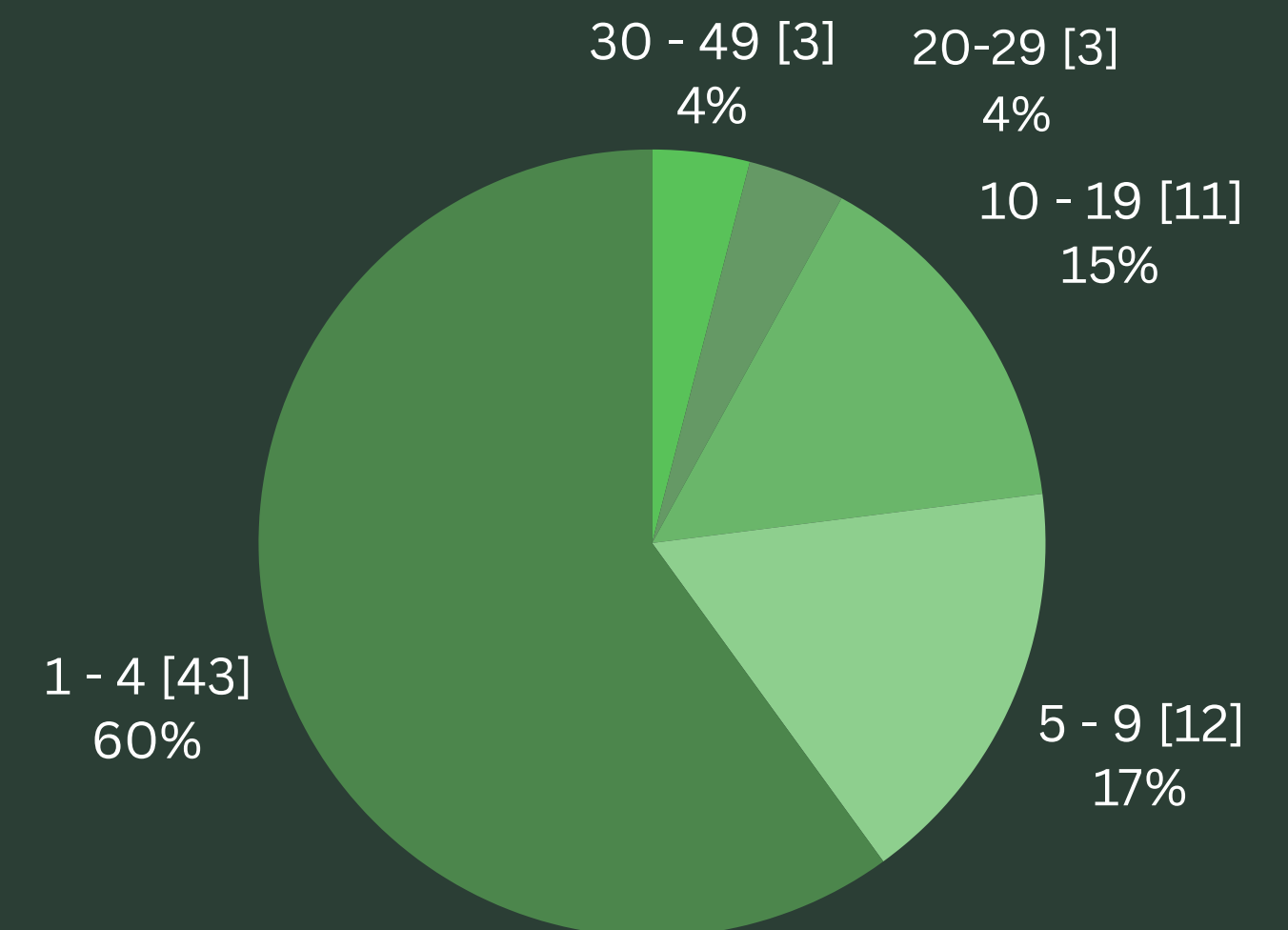
Workforce

Change in number of employees over the last three years: 72 Responses



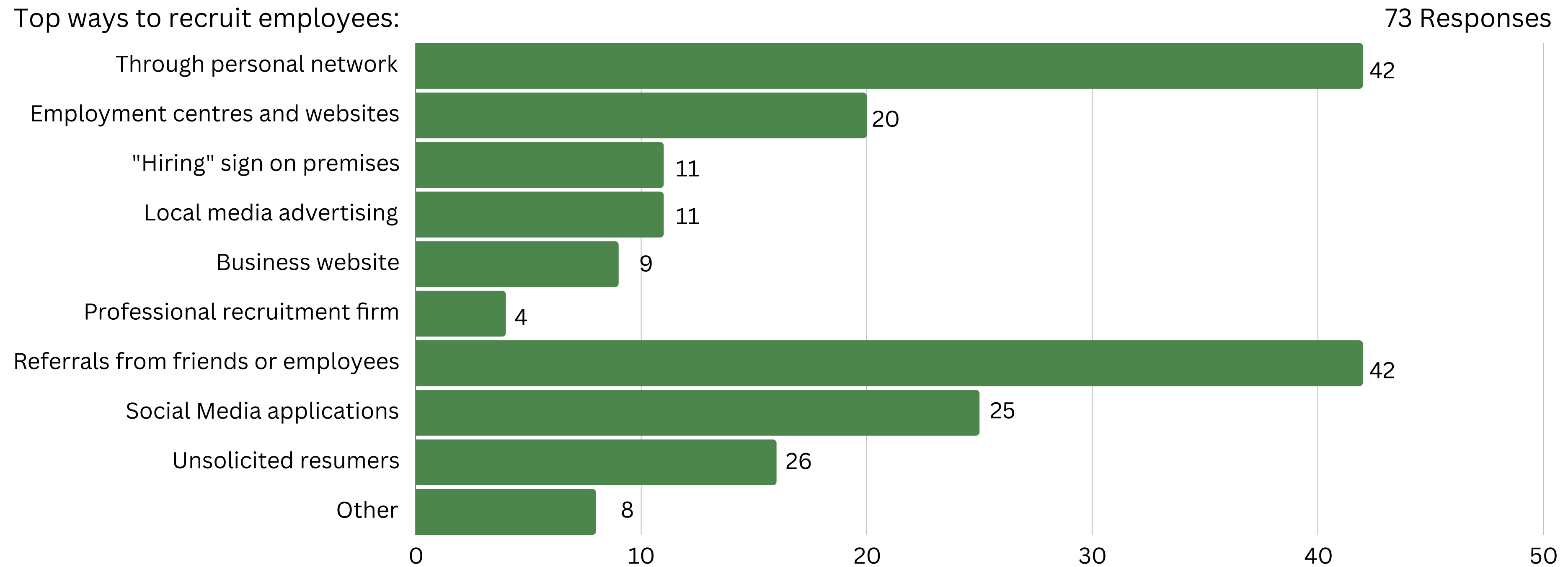
- 34 of 72 had the same number of employees as three years ago

Number of employees that work in businesses, including owners/operators:



Workforce

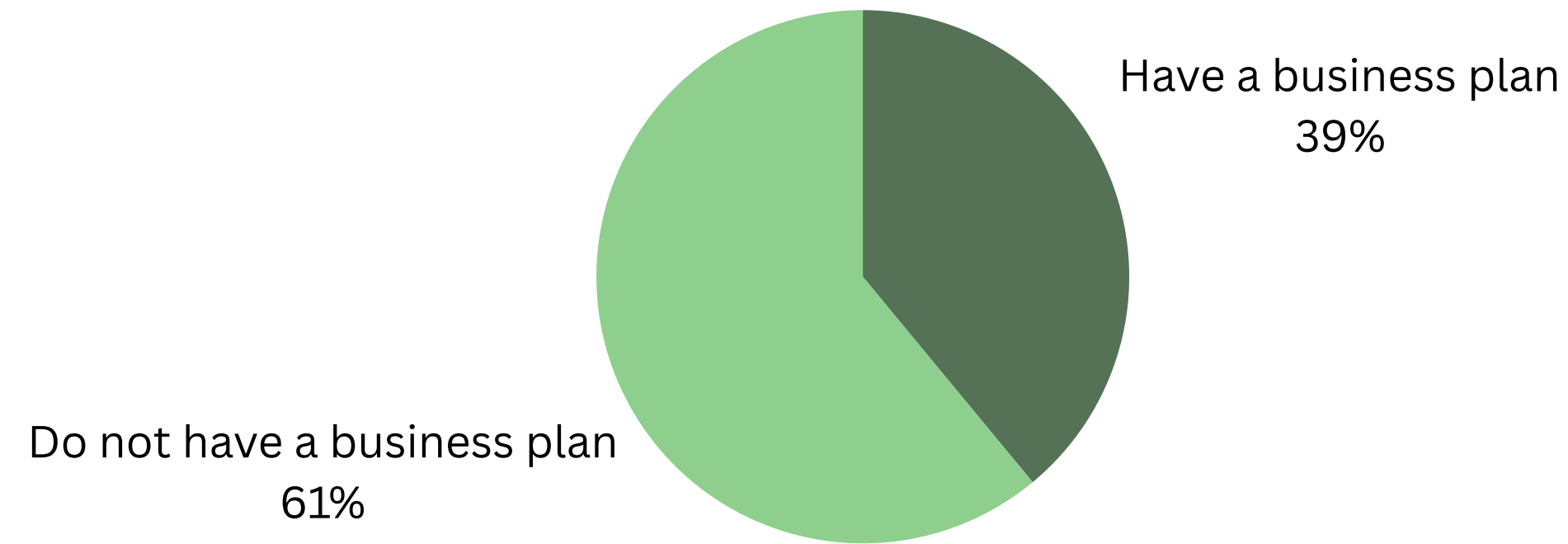
Top ways to recruit employees:



- The top methods of recruitment were through personal network and referrals. Many businesses indicated having success using Indeed to hire locally or by posting jobs in local Facebook groups.

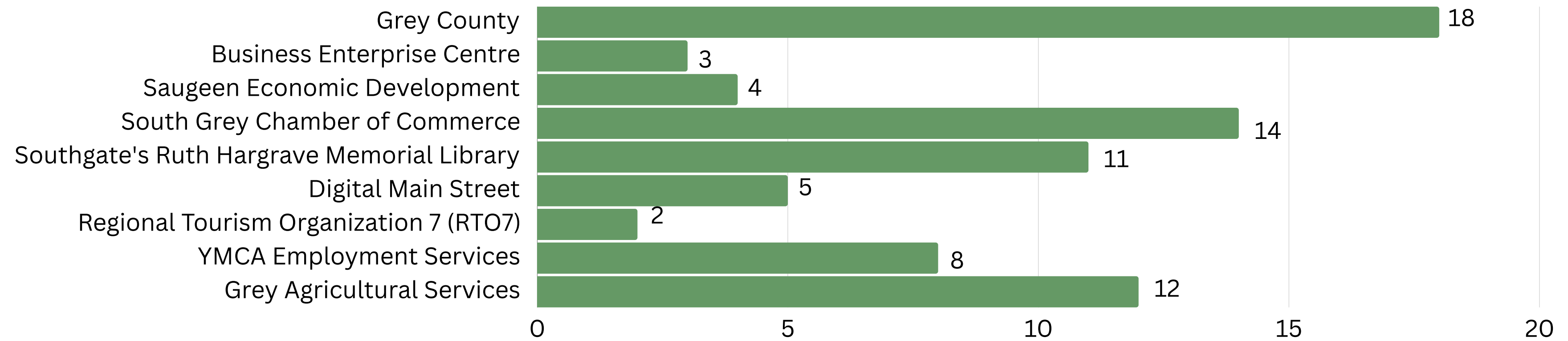
Business Development

Businesses with a business plan:



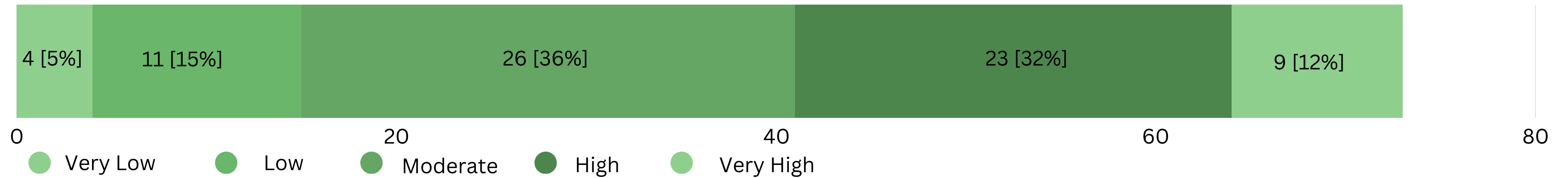
- Only 28 (39%) have a business plan, 39% of whom have updated it in the last year.

Local services that businesses have utilized (could select multiple):

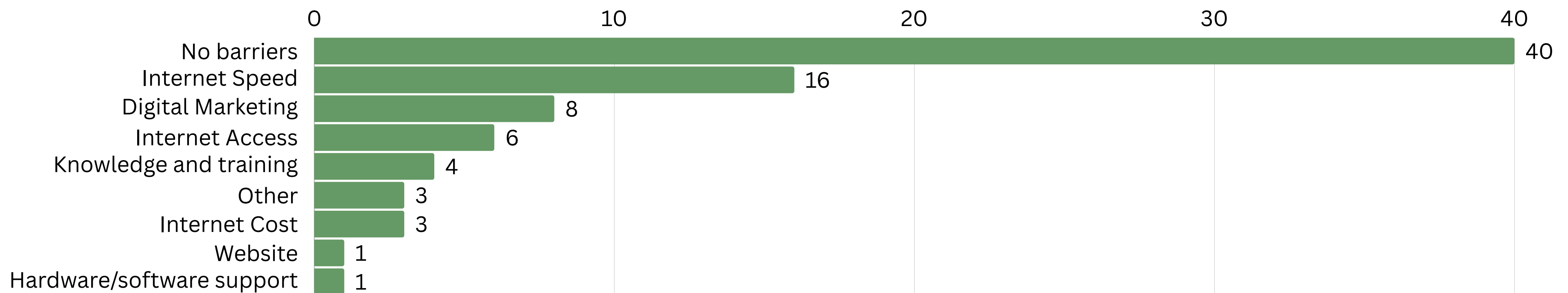


Business Development

Rating of business' use of technology:



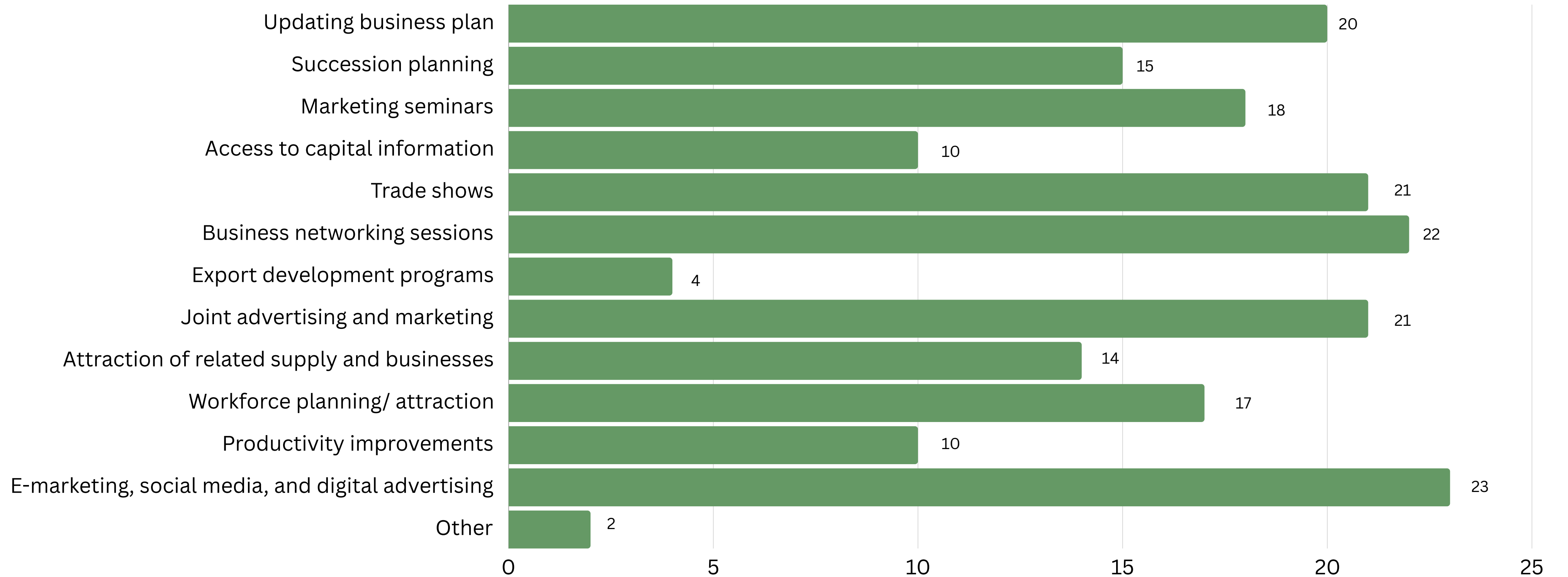
Barriers related to technology use (could select multiple):



- The top barrier to technology use was internet speed, as this varies greatly throughout the Township. Many respondents indicated that they were hoping to get fiber or switch providers.
- Poor understanding of digital marketing and internet access were also significant barriers.

Assistance or opportunities that would benefit businesses (could select multiple):

57 Responses



- Businesses were most interested in assistance or opportunities in e-marketing and social media content development, business networking, and updating business plans.
- The responses under "other" included a "community business directory" and a request for industry-specific workshops.

Manufacturing Data

Snapshot of Manufacturing Businesses:

- 16 (22%) of businesses surveyed were involved in manufacturing.
- All wood and metal manufacturers surveyed had been in operation for 25 years or less, with 44% of all manufacturers having been in operation between 11-25 years.
- Metal and wood manufacturing has just emerged recently to become one of the largest industries in the township.
- 56% of Southgate manufacturers had 1-4 staff (including the owners/operators).

*Several small-scale manufacturers could not respond to the questions in this section either because their operations were too small or too new to be able to provide relevant data.



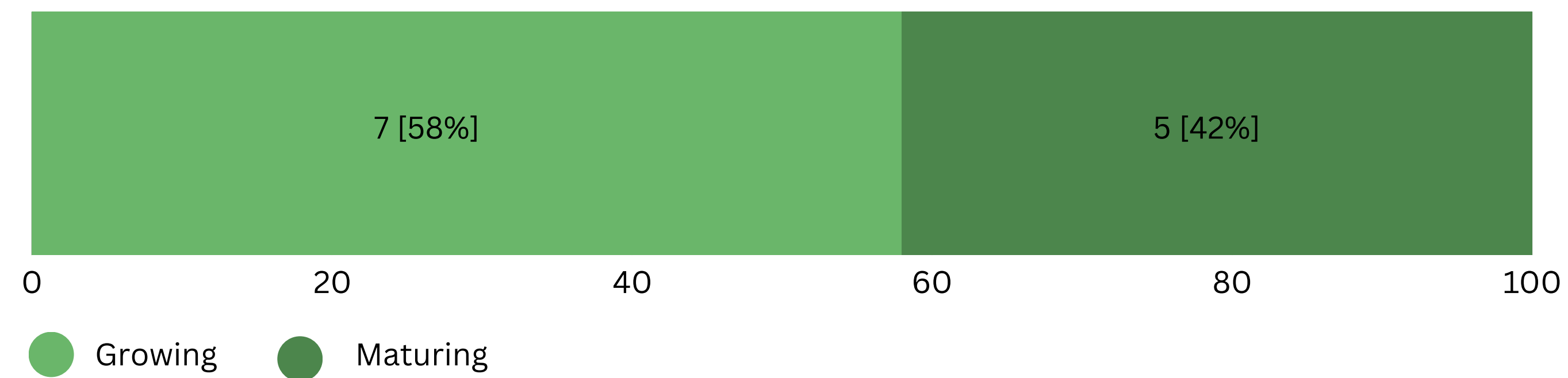
Change in aspects of doing business in the past 2 years:

12 Responses



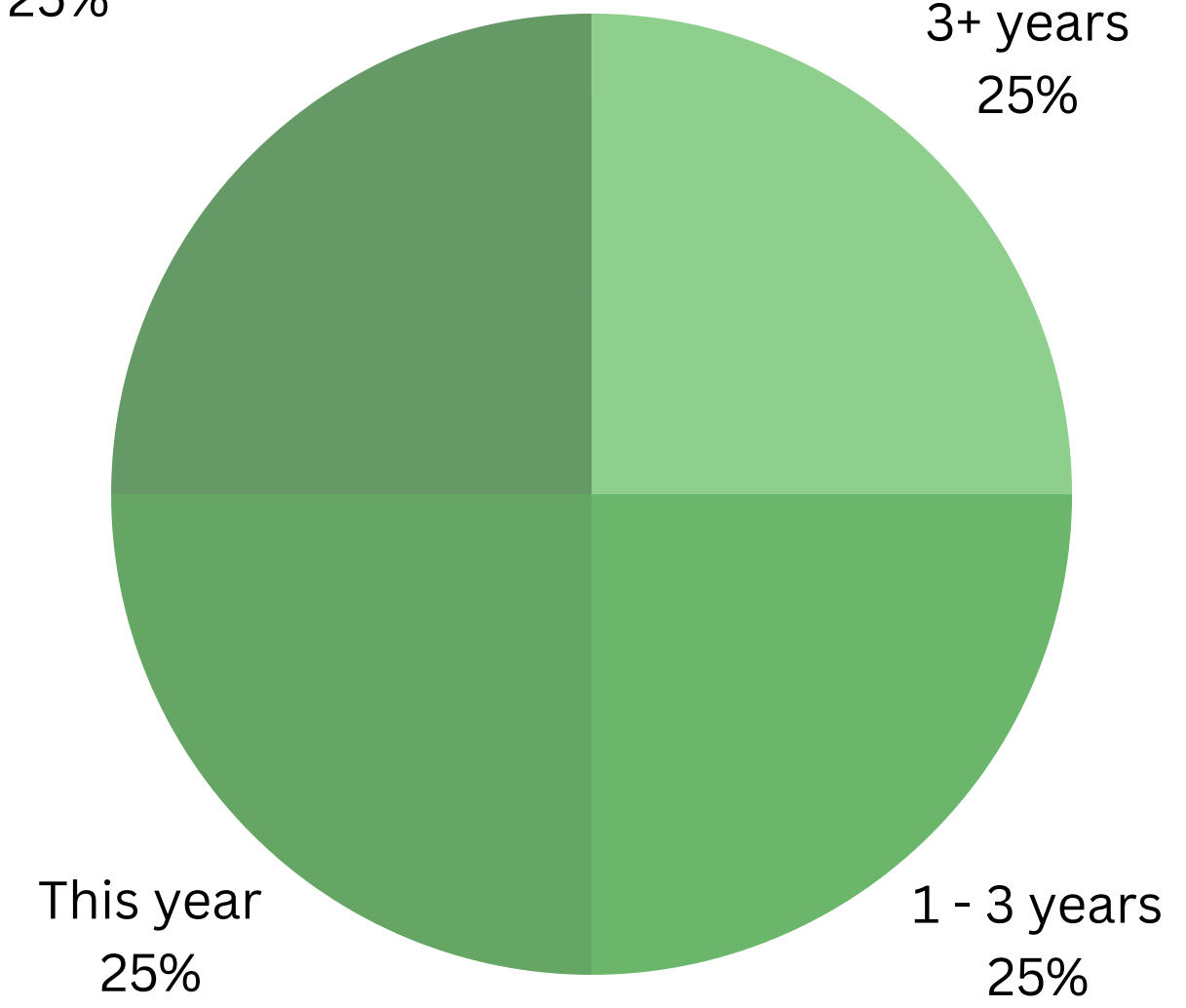
- Most manufacturers reported growth in production volume, productivity, prices, and profits.

Where is your primary product at its life cycle?

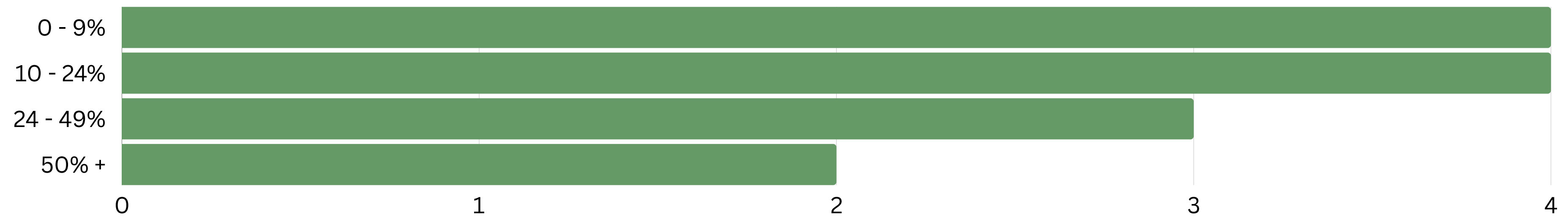


Last time business introduced a new product the market:

New product in development
25%



Percentage of products' components that are outsourced to another manufacturer:

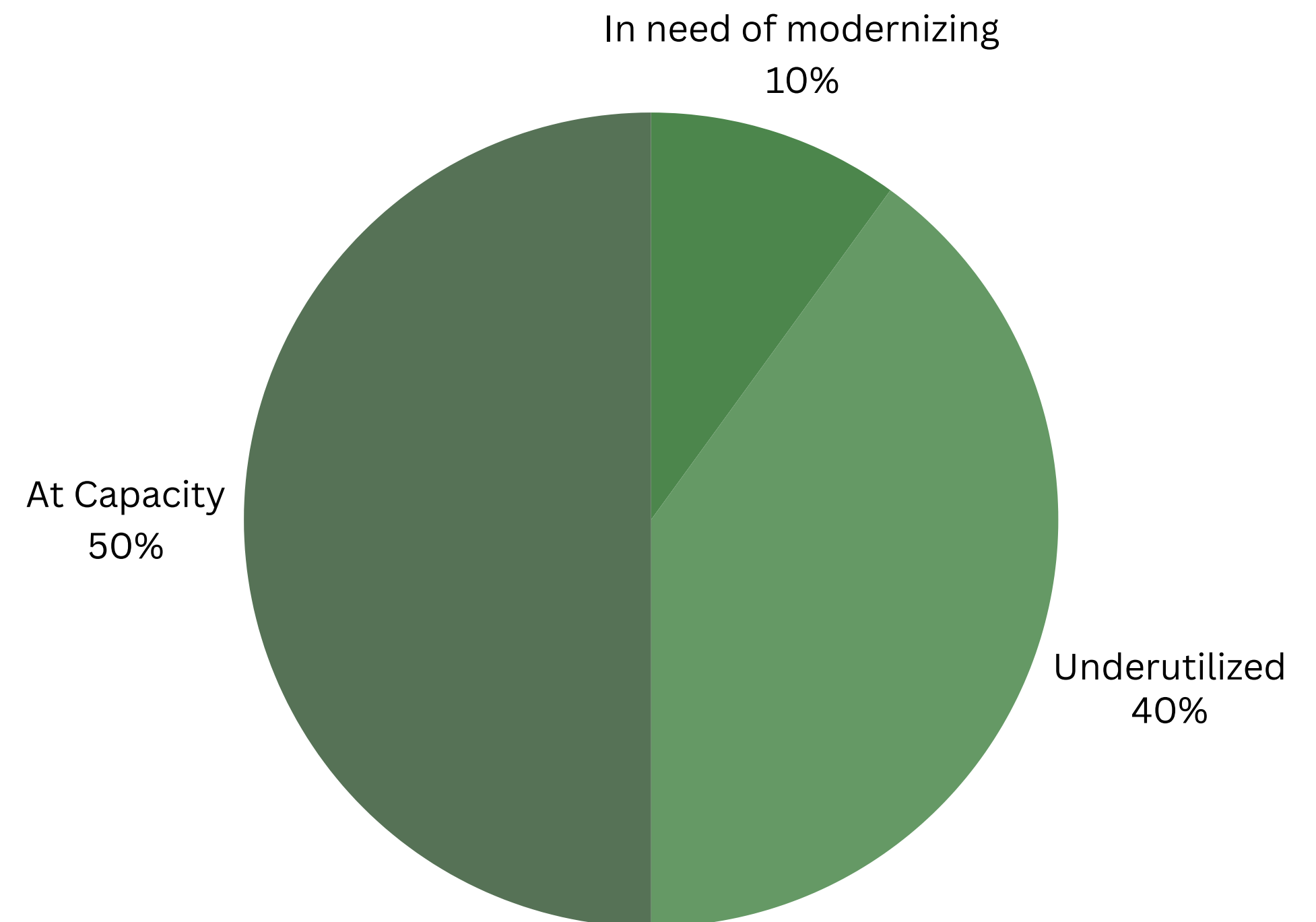


- Very few product components were outsourced to other manufacturers.

Manufacturing feedback:

- 67% indicated that their attitude towards doing business in the municipality had not changed in the past 3 years.
- 63% of manufacturers surveyed were in Dundalk and the surrounding area.
- 50% of manufacturers said that their industry was growing while the other 50% said that the industry was stable.
- 11 of 13 had made an investment in equipment or machinery in the last 2 years.
- 50% of manufacturers' facilities/equipment are at-capacity.
- 31% said emerging technology would change their primary product or how it is produced.
- Only 31% export and mainly to the US.

State of facility or equipment:



Challenges and Opportunities

Challenge	Explanation	Possible Solution
Building Services	There was confusion over various building and by-law processes. This had impaired several business' ability to expand operations.	Streamline building and by-law processes online and increase communications with business owners on relevant policies.
Planning Services	There was confusion over various planning processes. This had impaired several business' ability to expand operations.	Streamline planning processes online and increase communications with business owners on relevant policies.
South Grey Chamber of Commerce (SGCC)	Less than 20 businesses are members of the SGCC and several mentioned that they struggled to see its value. Furthermore, businesses wanted recognition by being nominated for business awards but were unable to be nominated in the SGCC-run awards event because of their non-member status.	Open the SGCC business awards process to allow the nomination of non-Chamber members. Have an informal Chamber event like an "After 5" in the Township to highlight the benefits of Chamber membership.
Lack of Commercial Space	Many businesses wanted to expand into downtown buildings but noted a lack of rentable commercial space. Several home-based businesses expressed an interest in opening a store in downtown Dundalk but could not find suitable space.	Continue to promote the Community Improvement Plan (CIP) and the new vacancy bylaw to encourage landlords and business owners to make spaces suitable to rent.
Manufacturing Facilities Underutilized	As noted, half of manufacturing facilities/equipment are at capacity and half indicated that their industry is growing.	Manufacturers would benefit from a streamlined building/planning process to expedite expansion. They would also benefit from other sector-specific supports (i.e. training, networking, grants, etc.) to expand operations and update their equipment.

Opportunity	Explanation	Possible Solution
Networking	Opportunities for “networking” were mentioned 13 times in the survey comments. Many businesses expressed wanting to have more networking events to develop partnerships and share ideas with other Southgate business owners/operators.	Organize reoccurring networking events for businesses (can be incorporated into less formal activities and training events).
Joint Marketing	The word “marketing” was mentioned 31 times in the survey results. Businesses expressed the desire to motivate new residents to shop locally so that they could grow their customer-base. Businesses were interested in joint-marketing campaigns.	Develop a web-based and/or direct-mail marketing campaign that targets Southgate residents to promote shopping at local businesses.
New Residents	The root word “grow” showed up 74 times total in the results. With many survey respondents mentioning growth having had an influence on their businesses (both positive and negative), there is an opportunity to inform new residents and entrepreneurs about local businesses as well as supports for those wanting to start a business in the Township.	Run outreach events that allow new residents to connect with local businesses (i.e. trade shows, etc.). Incorporate information about local businesses into the Southgate Welcome Package (developed through GBLIP), include information about starting a business specific to Southgate.
Home-based Businesses	Many home-based business owners/operators mentioned that they were relatively new residents. They had their own networks and partnerships, but it would be beneficial to bring them together with brick-and-mortar businesses to build connections and new opportunities for collaboration.	Share information about starting a home-based business with new residents. Provide information about relevant by-laws and resources to home-based businesses. Use the home-based business contact list to invite these business owners and operators to networking events.
Business Visitations	Businesses indicated that they do not have significant face-to-face time with Township staff. Regular business visits by the EDO and other Township staff would forge strong connections with local businesses and help address potential red-flag issues on an on-going basis.	Initiate a quarterly business visitation program to businesses to present business owners and operators with information and connect them with Township staff and local resources.



Priorities and Actions

Implementation (July 2024 – June 2026)

The results of the BR+E highlighted the priorities of Southgate businesses, which are listed in the following pages. The leadership team – with the feedback of resource network partners – established actions to address each of the identified priorities. The Township will leverage existing resources for businesses in the region through greater collaboration with partners, increased promotions, and consistent communication with the business community to executive these tasks. The Township and its partners will begin to implement all of the actions listed below in the next year, measuring their effectiveness from the day of approval by Southgate Council for up to 24 months. After this period, the priorities and actions will be reassessed in consultation with businesses.

Priority: Streamline Building/Planning Processes

Actions

- Develop an online process of applying for building and planning permits.
 - Inform businesses of updated application processes and where to direct their inquiries.
-

Time Frame

Immediately

Lead Partner

Building / Planning

Status

- In-progress, online
 - Building has started launched online applications, Planning to come on-board.
-

Measure

Number of businesses successfully completing online applications

Priority: Communications / Knowledge of Local Resources

Actions

- Produce a quarterly newsletter to inform businesses about training and grant opportunities as well as communicate relevant Township policies and procedures.
 - Coordinate quarterly business walks throughout the Township with staff and resource network members to present opportunities from the newsletter and respond to inquiries, maintaining relationships with businesses.
-

Time Frame

Start within 6 months

Lead Partner

EDO in coordination with regional service providers

Status

Not started

Measure

Newsletter open and click-through rate, number of connections made on business walks

Priority: Business Recognition

Actions

- Re-write the Chamber MOU to incorporate wider recognition of all Southgate businesses, for example allow non-Chamber members to be nominated for SGCC Business Awards.
 - Incorporate “Business Highlights” into social posts (twice/month) to showcase local businesses.
-

Time Frame

Start within 6 months

Lead Partner

EDO / SGCC

Status

In-progress – in discussions with SGCC

Measure

Number of businesses highlighted on social media, impressions and engagement on posts

Priority: Networking

Actions

- Organize networking events twice yearly with businesses and partners. Target home-based businesses to incorporate them into the economic ecosystem. Invite regional support organizations to showcase their services to businesses. Events could incorporate business tours or a “Meet and Greet” format.
-

Time Frame

Start within 6 months

Lead Partner

EDO / SGCC

Status

In progress – in discussions with SGCC

Measure

Number of events organized, number of business owners in attendance at events

Priority: Training

Actions

- Bring social media and business plan training to the Southgate Library so that businesses can access training locally, connect with staff, and network. This is also an opportunity to connect with entrepreneurs looking to start businesses.

Time Frame

0-12 months

Lead Partner

EDO in coordination with Southgate Library and BEC

Status

Not started

Measure

Number of trainings organized locally, number of business owners in attendance at training activities

Priority: Marketing

Actions

- Secure funding for photography/videography of local businesses through RTO7.
 - Utilize existing photo/video assets produced by Grey County for marketing material development.
 - Initiate a shop local campaign targeting residents across the Township (via Google Ads / direct mail).
-

Time Frame

12 – 24 months

Lead Partner

EDO

Status

Not started

Measure

Number of households reached by marketing campaigns, business feedback about change in foot traffic

Priority: Expand/Modernize Manufacturing

Actions

- Support manufacturers in accessing training, networking, and relevant grants.
- Connect manufacturers to Excellence in Manufacturing Consortium (EMC) for resources.

Time Frame

12-24 months

Lead Partner

EDO in coordination with EMC

Status

Not started

Measure

Number of local manufacturers receiving sector-specific services and grants



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