OPRO

OPPORTUNITÉS PRESCOTT ET RUSSELL
OPPORTUNITIES AND

Prescott Russell

FINAL REPORT

Ontario

Table of Contents

A WORD FROM THE DIRECTOR 4
A WORD FROM THE PROJECT OFFICER 6
INTRODUCTION 7
DEFINITION OF "BUSINESS RETENTION AND EXPANSION" 7
ACKNOWLEDGEMENTS 8

01 BUSINESS PROFILE

BUSINESS PROFILE 10
Type of Business Ownerships and Operations 10
Core Business Market 11
Involvement of Business Owners in Daily Operations 12
Place of Residence of Owners 12
Number of Years in Business Within the Community 13
Number of Years in Business of Current Owners 14
Business Plan 15
Property Title of Primary Facilities 16
BUSINESS PROFILE - SWOT 18

02 WORKFORCE PROFILE

WORKFORCE PROFILE 20
Number of Employees per Business, Including Owners 20
Overview of Permanent and Temporary Jobs 21
Change in the Number of Employees Over the Last Three Years 21
Review of Workforce Attributes 23
Recruitment Difficulties 25
Recruitment Methods for New Hires 28
Retention of Employees 30
Participation of Businesses in Co-op, Internship and Apprenticeship Programs 31
Access to Training 33
WORKFORCE - SWOT 36

03 BUSINESS CLIMATE

BUSINESS CLIMATE 40
General Perception of the Community as a Business Centre 40
Change of Business Stakeholders' Perception of the Community Over the Last Three Years 41
Review of Key Community Business Factors 43
Level of Satisfaction for Each Service 44
Industry Perspective of Community Businesses 46
Annual Sales 48
Use of Technology by Community Businesses 50
Business Procurement 52
Cooperation Between Businesses 53
Community Advantages and Disadvantages 54
Major Changes Within the Business Community Forecasted Over the Next Five Years 55
Support for the Implementation of Operations 56
BUSINESS CLIMATE - SWOT 57

04 FUTURE PROJECTS

FUTURE PROJECTS 60
Future Business Plans 60
Expansion 61
Decrease of Operations 67
Relocation 68
Sale 70
Closure 72
FUTURE PLANS - SWOT 73

05 MAJOR FINDINGS AND CONCLUSIONS

PAGE 76

06 ACTION PLAN

PAGE 80

A WORD FROM THE DIRECTOR

The Prescott and Russell Economic Development and Tourism (PREDT) Department plays a crucial role in regional development initiatives. Its global vision is to develop a vibrant, diversified, sustainable and prosperous economy for the region as a whole.

Development is the end goal, and economic growth is the way to achieve this goal. Economic growth can only be sustainable if it draws on strong and viable development efforts to meet our region's current needs without jeopardizing those of future generations.

It is by implementing various public and private practices that promote economic growth that we are able to develop a region. These practices are primarily efforts to retain and expand existing businesses, attract investors, and promote innovation and entrepreneuship, which are all an integral part of the PREDT department's regional economic development strategy.

That said, it is obvious that, in order to implement efficiently these practices and ensure sustainable and strong development of our economy, the community must first have access to convincing data that gives an accurate picture of our situation. This is why it was so important to consult the regional business community through this survey, namely Opportunités Prescott et/and Russell Opportunities (OPRO).

Promoting regional development has numerous strategic and governance challenges because it requires coordination with different economic sectors and government levels, such as municipal and regional administrations, and public and private sector stakeholders. By reuniting these entities, encouraging them to help draft a joint plan and working together to implement coordinated local development projects, we all gain a sense of belonging and accomplishment.

Concerted efforts result from the desire to solve problems and become aware of our business climate's strengths, weaknesses, opportunities and threats. Together, we want to help foster business growth and vitality, remove barriers and obstacles to commercial activity, reinforce cooperation and improve our capacity to solve problems, as well as promote participation among all community stakeholders.

On behalf of the community and the PREDT Department, I would like to sincerely thank entrepreneurs, surveyors and leaders in all eight municipalities of our beautiful region who fully engaged themselves in this project, thus ensuring its success. This is a project that will undoubtedly have significant positive impacts in all Prescott and Russell municipalities for years to come.

Carole Lavigne
Director
Economic Development and Tourism
United Counties of Prescott and Russell

A WORD FROM THE PROJECT OFFICER

The success of a large-scale project such as OPRO comes as a direct result of close collaboration among various key players. The success of this particular project stems concretely from the contribution of numerous municipal champions. These individuals have ensured, among other things, that the surveys were properly administered and that the surveyors were adequately supervised. They also participated actively in the data review sessions and in the elaboration of the related action plans.

As the Regional Coordinator for the OPRO Project, I am extremely proud of the work that has been done in collaboration with each and every one of these professionals dedicated to the economic development of their respective communities. I am also delighted that we will continue this great collaboration, moving forward, with the implementation of the various actions that will allow us to better support the business community across the United Counties of Prescott and Russell.

Olivier Berthiaume
Project Officer
Economic Development and Tourism
United Counties of Prescott and Russell

INTRODUCTION

The Prescott and Russell Economic Development and Tourism (PREDT) Department, in partnership with economic development departments in all eight lower-tier municipalities, conducted 563 interviews from May 2017 to February 2018 with business owners specializing in commercial, industrial, agricultural and tourism sectors. Of all businesses listed in 2017, 2,424 of them conducted operations in the four above-mentioned sectors. Considering the survey sample size, our level of confidence is 99% and the margin of error is 4.8%.

A simple random stratified sampling method was used to ensure adequate representation of target sectors, prorated by the number of community businesses specializing in these areas. Collected data was then analyzed anonymously by the business community as part of a data review exercise. The survey's response rate is 64%, which was calculated based on empirical research.

In this survey, "region" refers to the United Counties of Prescott and Russell (UCPR), as provided for in Statistics Canada's census division and "province" or "rural Ontario" refers to geographic boundaries of 15 anonymous rural communities in the Province of Ontario. Provincial results were calculated from 1,590 surveys that were conducted through business retention and expansion projects undertaken by other rural communities in Ontario during the same period, i.e. from May 2017 to February 2018. Furthermore, a comparative analysis of regional and provincial results serves as a point of reference in this survey.

DEFINITION OF "BUSINESS RETENTION AND EXPANSION"

The concept for "Business Retention and Expansion" (BR+E) is a structured community approach for economic development, which is action-oriented to support business development and economy enhancement. This approach promotes business development by helping communities understand local challenges and opportunities that their business community is faced with. The BR+E concept is structured around confidential interviews with business owners. Collected data is then analyzed and action plans in support of retention and expansion of local businesses are developed to highlight not only weaknesses and threats but also strengths and opportunities.

The Ontario Ministry of Agriculture, Food and Rural Affairs launched the BR+E concept in 1998 and since then, more than 230 retention projects were developed by hundreds of communities in the province.

ACKNOWLEDGEMENTS

This project was made possible by the generous financial contributions of collaborators below:

Prescott Russell | Ontario

This project was successful with the support of community organizations below:

Business Alliance des gens d'affaires
Centre Entrepreneurship Centre Prescott-Russell
Eastern Ontario Agri-Food Network
Clarence - Rockland
La chambre de commerce de Prescott-Russell inc. / The Prescott-Russell Chamber of Commerce Inc.
Chambre de commerce Hawkesbury et région | and Region Chamber of Commerce
tourisme Prescott-Russell TOURISM
ESCAPADE nature's FLING
académie ENTREPRENEURIALE academy
Centre de services à l'emploi Employment Services Centre
EASTERN ONTARIO TRAINING BOARD
COMMISSION DE FORMATION DE L'EST ONTARIEN

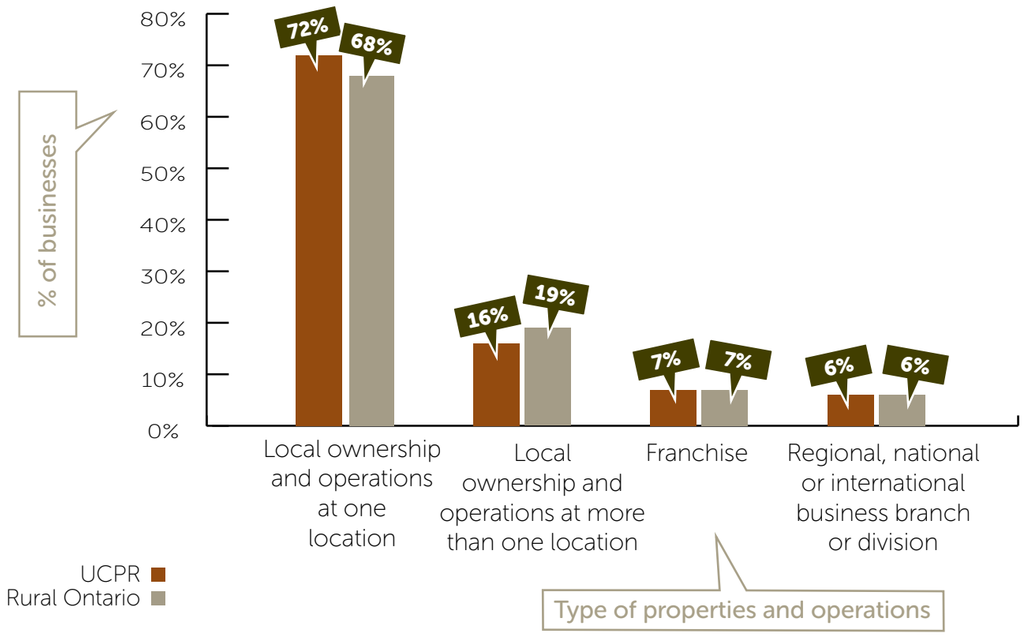
We would also like to thank all **563 business owners** who participated regionally in this survey for their contribution and dedication.

01 BUSINESS PROFILE

BUSINESS PROFILE

TYPE OF BUSINESS OWNERSHIPS AND OPERATIONS

(BI1 – 563 responses)



Locally owned and operated businesses with more than one location have, on average, seven properties. These businesses have at least two properties and at most 160 properties from which they conduct operations.

The majority of franchised businesses have a head office located in Canada, in Ontario or in Quebec.

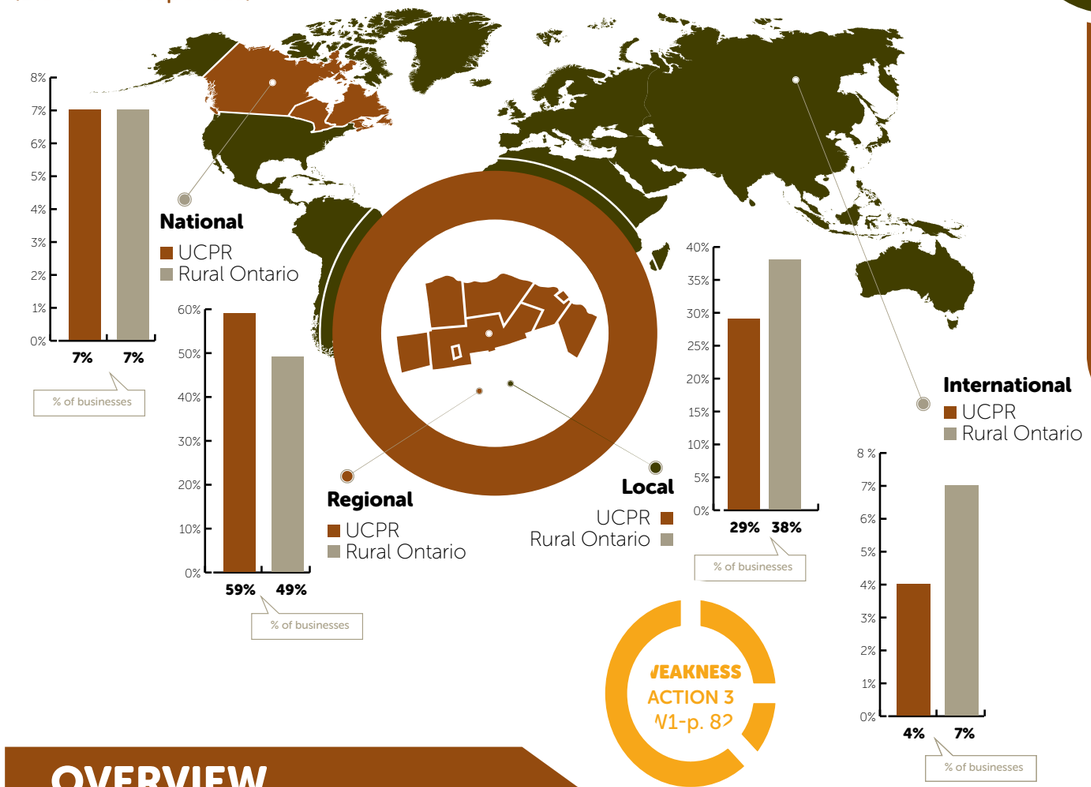
Regional, national or international business branches or divisions have a head office located in Canada, the United States or Germany.

OVERVIEW

In Prescott and Russell, 88% of entrepreneurs conduct operations locally. Of this percentage, 72% of entrepreneurs operate at one location only, whereas 16% operate at more than one location (seven locations, on average). Compared to provincial results, the UCPR have fewer entrepreneurs conducting operations at more than one location. Again in comparison with provincial results, the number of franchised businesses as well as regional, national and international business branches or divisions is almost identical in Prescott and Russell.

CORE BUSINESS MARKET

(BI9 – 563 responses)

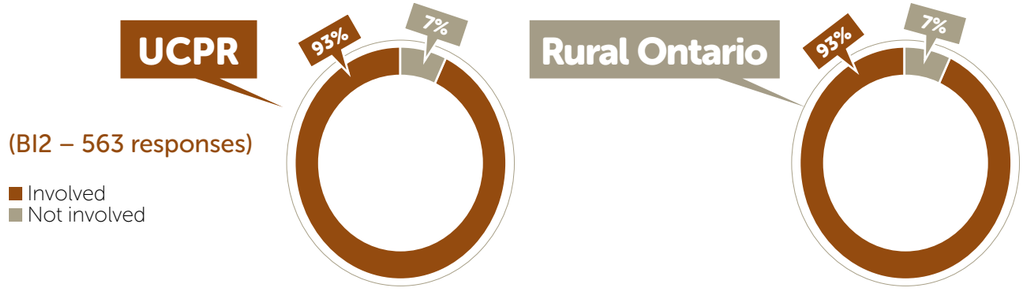


WEAKNESS
ACTION 3
(V1-p. 82)

OVERVIEW

88% of entrepreneurs in Prescott and Russell operate mainly at the regional level (59%) and local level (29%). Compared to the provincial results, businesses conduct fewer operations internationally. With regard to trade, it is obvious that a good economic synergy exists between municipalities. Nonetheless, it would be beneficial for more businesses to conduct operations internationally.

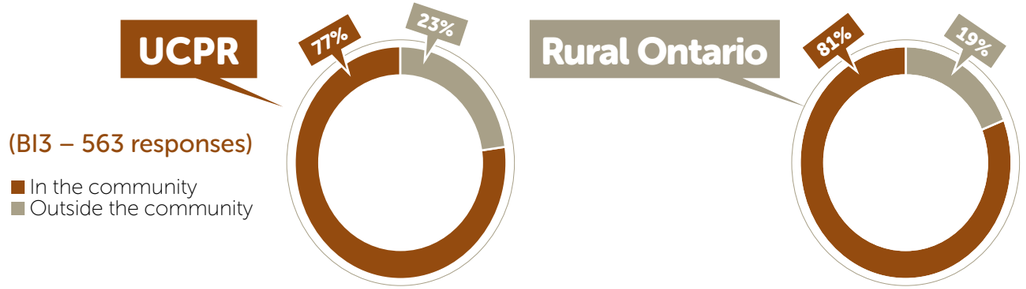
INVOLVEMENT OF BUSINESS OWNERS IN DAILY OPERATIONS



OVERVIEW

93% of entrepreneurs in Prescott and Russell are involved in daily business operations. Compared to provincial results, this percentage is identical.

PLACE OF RESIDENCE OF OWNERS

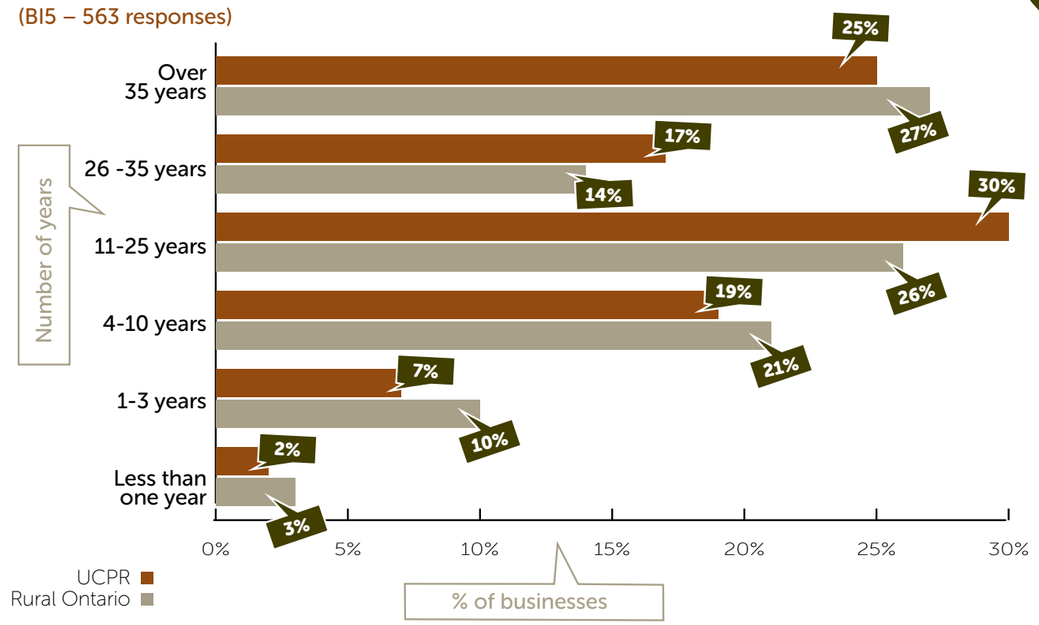


OVERVIEW

In Prescott and Russell, 77% of business owners live in their respective communities. At the provincial level, 81% of business owners live in their respective communities against 19% who live in another community. Thus, the number of business owners living outside the community in which they conduct their operations is slightly higher in Prescott and Russell but it represents a strength for the community given the high proportion of entrepreneurs who live locally.

NUMBER OF YEARS IN BUSINESS WITHIN THE COMMUNITY

(BI5 – 563 responses)

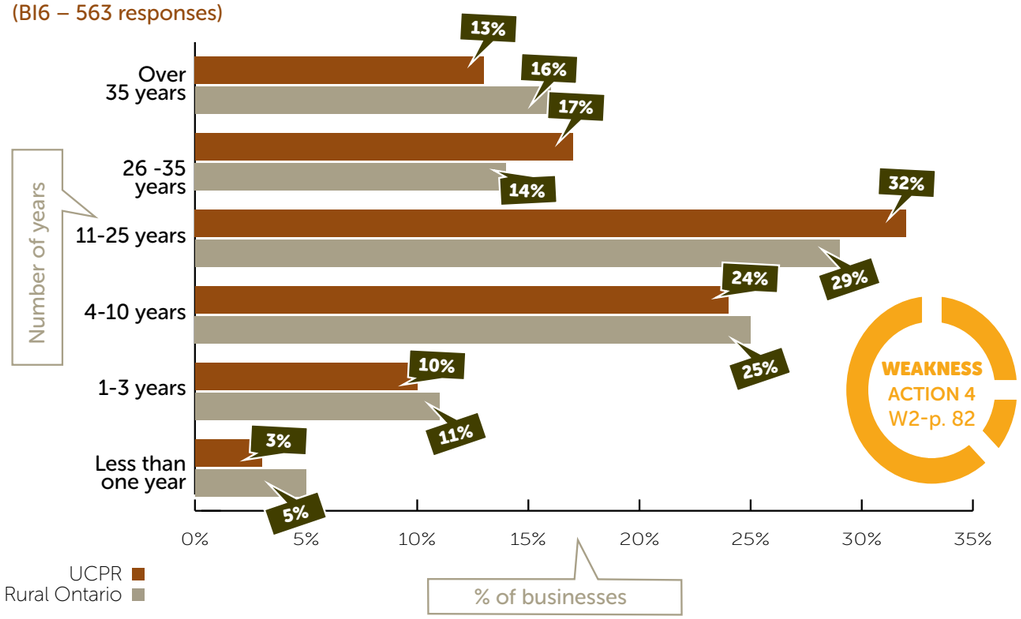


OVERVIEW

In Prescott and Russell, a significant number of businesses have been in existence for over 11 years (72%), whereas few businesses have been established for 10 years or less (28%). More specifically, 5% more businesses have been established for over 11 years in the region than in other surveyed rural communities in the province. The fact that regional businesses are successful for longer periods obviously represents a strength for Prescott and Russell. Nonetheless, we need to make sure that entrepreneurs who will need to begin succession planning sooner than later receive the support they need.

NUMBER OF YEARS IN BUSINESS OF CURRENT OWNERS

(BI6 – 563 responses)



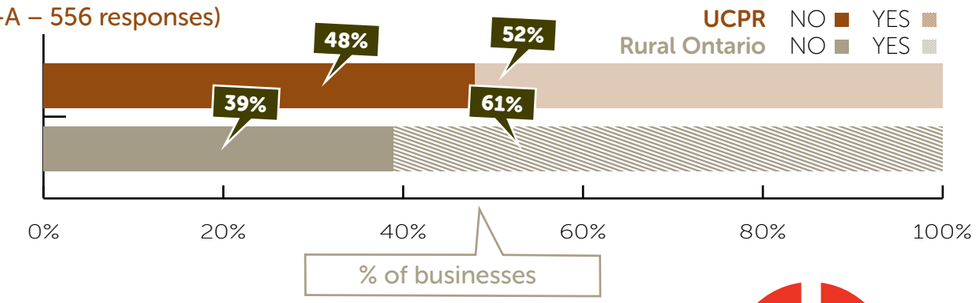
OVERVIEW

In Prescott and Russell, 30% of entrepreneurs have been the head of their operations for over 26 years; 56% have been the head of their operations for 4 to 25 years; and 13% have been at the head of their operations for less than three years. Compared to provincial results, the number of entrepreneurs who have been managing their business for over 26 years is identical; 2% more entrepreneurs have been managing their business for 4 to 25 years; and 3% fewer entrepreneurs have been managing their business for less than three years. In summary, there are manifestly fewer young entrepreneurs in Prescott and Russell than in other surveyed rural communities in Ontario, accounting for only 13% of the regional business community.

BUSINESS PLAN

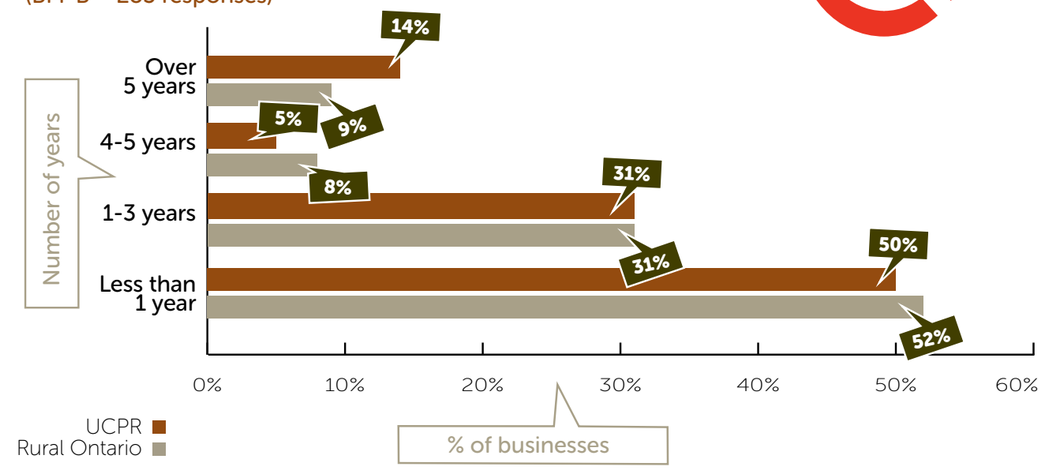
Do Companies Have a Business Plan?

(BI4-A – 556 responses)



When Was It Last Updated?

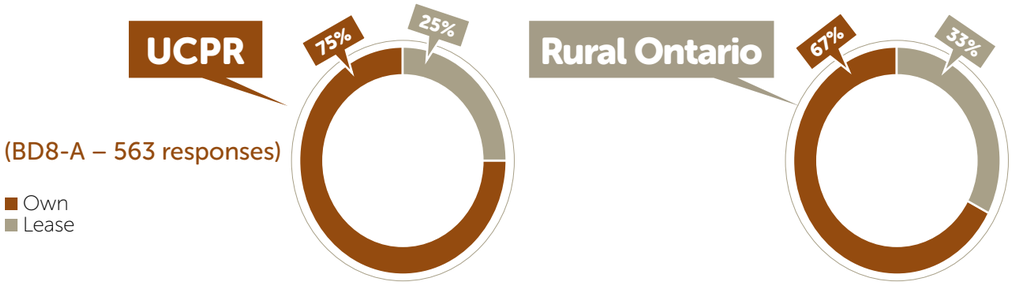
(BI4-B – 283 responses)



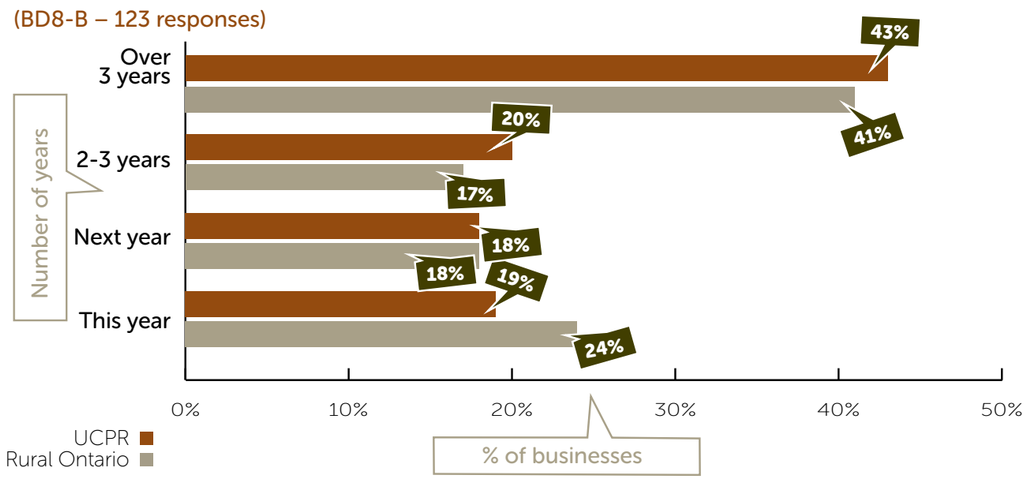
OVERVIEW

In Prescott and Russell, only 52% of entrepreneurs have a business plan. Compared to provincial results, 9% fewer entrepreneurs in the region have a business plan. Furthermore, 81% of those who have a business plan update it regularly, at least every three years. It is interesting to note that 14% of entrepreneurs in Prescott and Russell who have a business plan want to update it in the next five years or more. Compared to provincial results, this percentage is 5% higher.

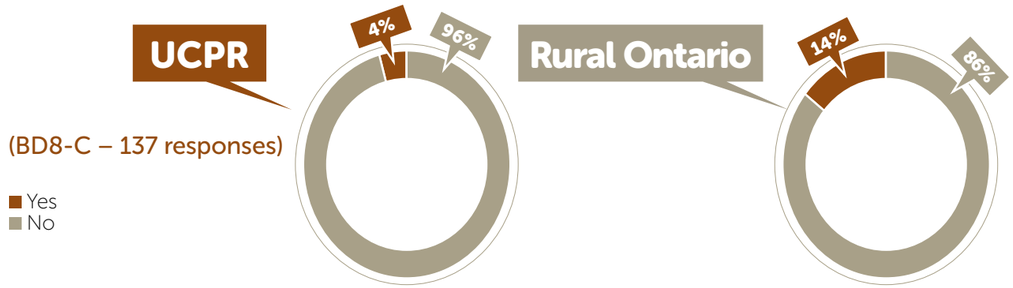
PROPERTY TITLE OF PRIMARY FACILITIES



When Does the Current Lease Term End?



Do Businesses Anticipate Having Problems with Lease Renewal?



OVERVIEW

In Prescott and Russell, three quarters of entrepreneurs own their business property. Furthermore, one quarter of entrepreneurs are leasing a property and 43% will need to renew their term in the next three years or more. Only 4% of entrepreneurs are expecting to potentially encounter issues with the renewal of their term. Compared to provincial results, the number of entrepreneurs who are expecting issues in this respect is 10% lower in Prescott and Russell, which is reassuring.

BUSINESS PROFILE - SWOT

STRENGTHS

- 88% of entrepreneurs in Prescott and Russell run a locally owned and operated business. (BI1)
- 93% of entrepreneurs in Prescott and Russell are involved in daily business operations. (BI2)
- 77% of entrepreneurs in Prescott and Russell live in the community where they do business. (BI3)
- 72% of businesses in Prescott and Russell have been established in the region for 11 years or more. This proportion is 5% higher than at the provincial level. (BI5)
- Three quarters of entrepreneurs in Prescott and Russell own their business location and only 4% of those leasing a property are expecting to encounter potential issues with the renewal of their lease. (BD8)

WEAKNESSES

- Most businesses in Prescott and Russell operate primarily at the local and regional level. Compared to provincial results, they conduct fewer operations internationally. (BI9)
- Young entrepreneurs (individuals who have been in business for less than three years) are not as present in Prescott and Russell as in other rural communities in Ontario, accounting for only 13% of all regional entrepreneurs. (BI6)

THREAT

- Only 52% of entrepreneurs in Prescott and Russell have a business plan. The majority of them update it regularly, at least every three years. (BI4)

02 WORKFORCE PROFILE

WORKFORCE PROFILE

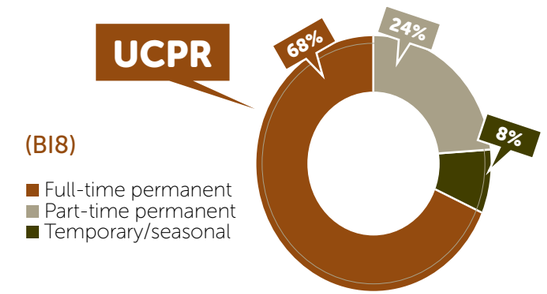
NUMBER OF EMPLOYEES PER BUSINESS, INCLUDING OWNERS

(BI7 – 563 responses)

OVERVIEW

80% of entrepreneurs in Prescott and Russell have 19 employees or less. It should be noted that 41% of these entrepreneurs have between one and four employees. It is therefore manifest that the majority of entrepreneurs in Prescott and Russell are small or very small employers. With regard to medium-sized employers (between 20 and 99 employees), the UCPR are in the norm compared with provincial results. However, they have fewer large employers (more than 100 employees) than other surveyed rural communities in Ontario.

OVERVIEW OF PERMANENT AND TEMPORARY JOBS

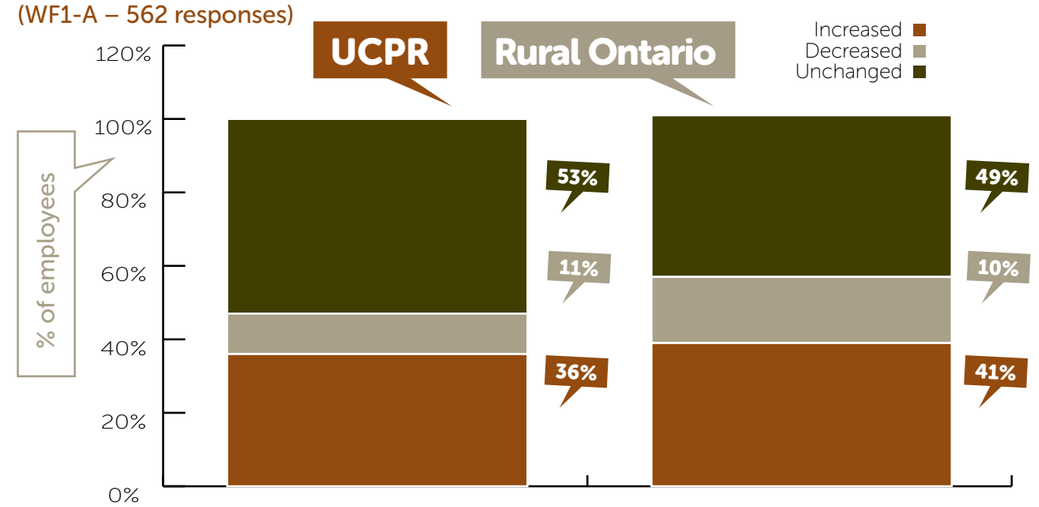


OVERVIEW

68% of jobs in Prescott and Russell are full-time permanent and 24% are part-time permanent. The low percentage of temporary or seasonal jobs (8%) in the region gives the community a highly favourable position because citizens have access to numerous permanent jobs. Given the economic significance of the agricultural sector in the area, it is interesting to note that there are as many permanent jobs (92%) offered within the region. Nonetheless, it should be noted that 32% of jobs available regionally are not full-time.

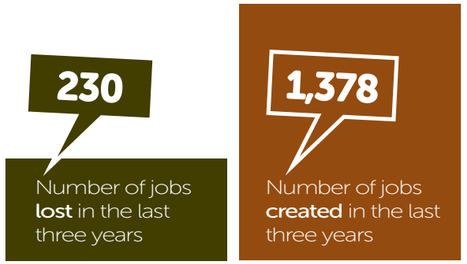
CHANGE IN THE NUMBER OF EMPLOYEES OVER THE LAST THREE YEARS

(WF1-A – 562 responses)



Number of Jobs Created and Lost in the Last Three Years

(WF1-A)



Reasons for the Loss and Creation of Jobs

Loss of jobs

- Precarous economic situation and decline in certain markets
- Retirement and lack of succession
- Unable to meet recruitment needs
- Instability, unreliability and lack of loyalty in the workforce (especially with young workers)
- Minimum salary increase and legislative changes in terms of employment
- Personal reasons (family obligations and health concerns)
- Business changes (renovation, restructuration and/or new administration)

Creation of jobs

- Business growth (longer business hours, additional products and services, and development of certain markets)
- Start-up business
- Increase business efficiency and competitiveness
- Growth of regional communities
- Government support (hiring and training subsidies)
- Better strategic business planning
- Technology advancements and optimization of processes
- Reinstallation of a plant or manufacture from another community within the UCPR

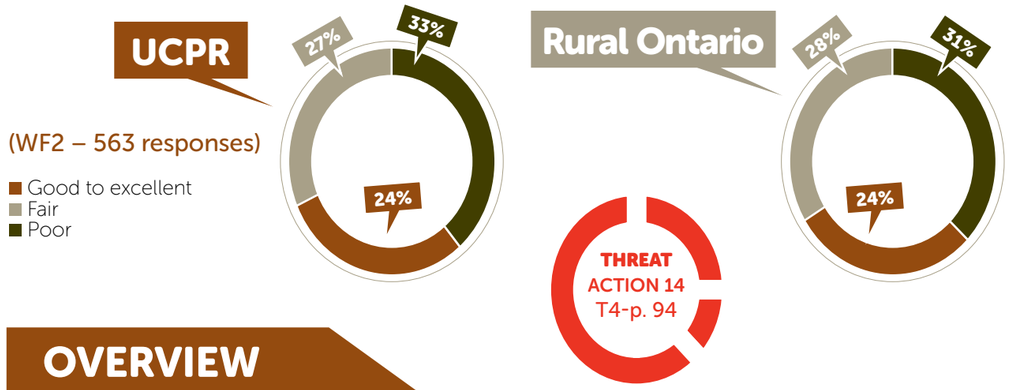
(WF1-B)

OVERVIEW

In the last three years, 36% of employers in Prescott and Russell hired new employees; 53% made no change to their existing employee base; and 11% shed jobs. More specifically, 1,378 jobs were created against 230 jobs that were lost. Compared to provincial results, statistics are similar in terms of job losses. However, 4% more employers in Prescott and Russell made no changes to their existing teams and 5% fewer employers hired new employees. In summary, positive results in regard to job creations and job losses represent a strength for the region. Job creations were primarily driven by the growth and expansion of businesses, arrival of businesses from outside the region, and the receipt of financial support to help hire and train employees. In contrast, it should be noted that some uncertainty seems to hamper that trend, which can be explained by skill shortages, minimum salary increase and retirement of many business owners who were unable to ensure their succession.

REVIEW OF WORKFORCE ATTRIBUTES

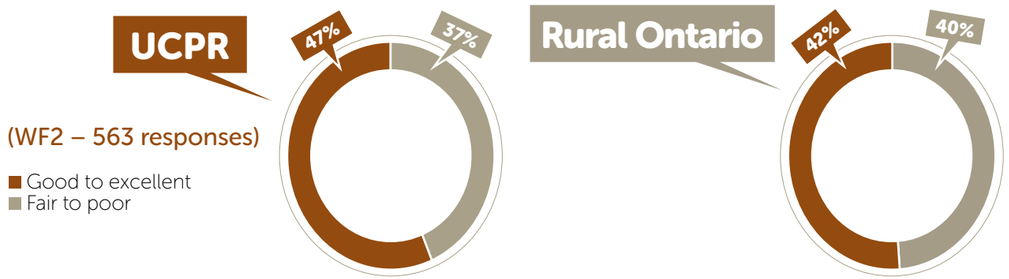
Availability of Qualified Workers



OVERVIEW

60% of business owners in Prescott and Russell do not properly assess the availability of qualified workers. Of this percentage, 33% of owners consider the availability of qualified workers as "poor". These statistics apply not only to the UCPR but also similarly in other surveyed communities in Ontario.

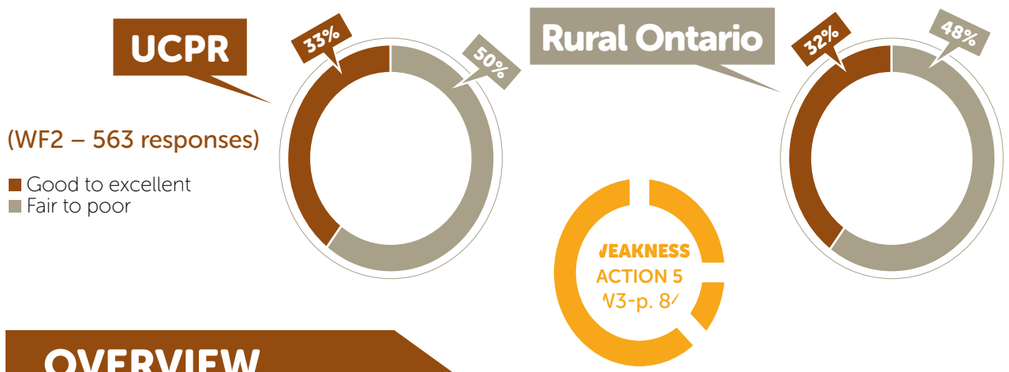
Workforce Stability



OVERVIEW

Only 47% of employers in Prescott and Russell consider stability in the workforce as satisfactory. Compared to provincial results, the UCPR seem to have a slightly more stable workforce as 5% more employers rated stability in the workforce as satisfactory.

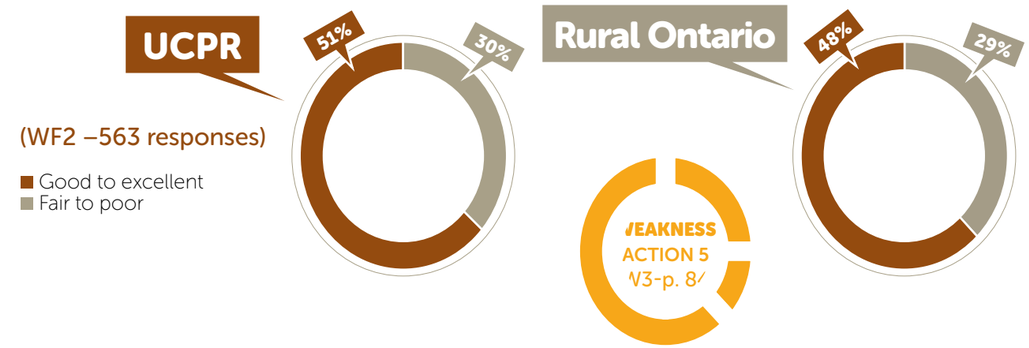
Ability to Attract New Employees



OVERVIEW

50% of employers in Prescott and Russell assess their respective community's ability to attract new employees as "fair to poor". Compared to provincial results, employers in the UCPR rate their ability to attract new employees similarly.

Ability to Retain New Employees

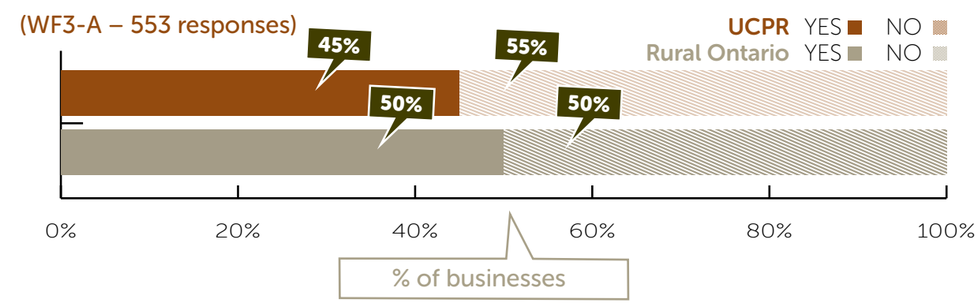


OVERVIEW

51% of employers in Prescott and Russell consider their respective community's ability to retain new employees as "good to excellent". Compared to provincial results, statistics in this respect are fairly similar.

RECRUITMENT DIFFICULTIES

Are Business Owners Currently Experiencing Recruitment Difficulties?

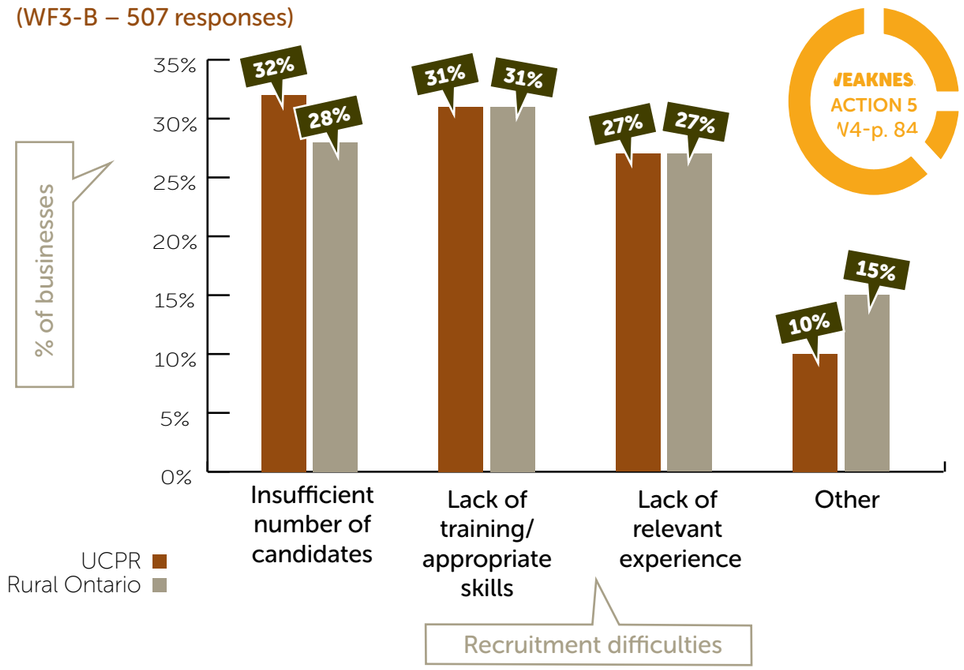


OVERVIEW

45 % of employers in Prescott and Russell are currently experiencing recruitment issues. Compared to provincial results, the UCPR seem to be in a slightly better position in this respect, as 5% fewer employers are experiencing difficulties with recruitment.

What Recruitment Difficulties Are Businesses Experiencing?

(WF3-B – 507 responses)



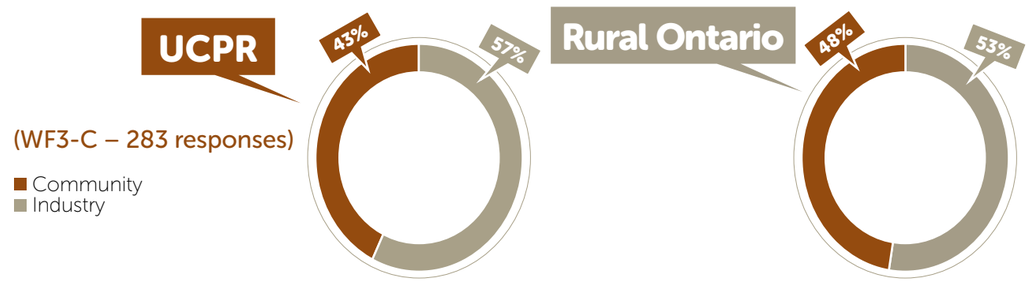
Other

- Difficulty convincing certain candidates to move to a community in Prescott and Russell
- Difficulty presenting competitive job offers given the proximity of nearby large urban centres (competitive salaries and benefits)
- Difficult working conditions (long hours, demanding work, distance to and from work)
- Poor availability of candidates who are willing to work (negative attitude, lack of interest to enter the labour market, lack of loyalty and lack of motivation)
- Foreign workers find it difficult to adapt to a rural area (lack of support services)
- Instability of seasonal work

OVERVIEW

In order of importance, difficulties that businesses in Prescott and Russell are having are as follows: insufficient number of available candidates, lack of training/appropriate skill sets, and lack of relevant experience. Some employers have also raised other concerns, including the employee attraction in the region, competition with employers in nearby large urban centres and poor availability of candidates who are willing to work.

Are Recruitment Difficulties Specifically Related to the Community or Industry?



OVERVIEW

57% of employers in Prescott and Russell consider recruitment difficulties to be related to the industry, not the community. Compared to provincial results, statistics in the UCPR are slightly more positive in this respect, given that fewer business owners in the region consider recruitment difficulties to be related to their respective communities. Nonetheless, 43% of business owners in Prescott and Russell say that difficulties are related to their respective communities.

Difficult Positions to Fill in the Community

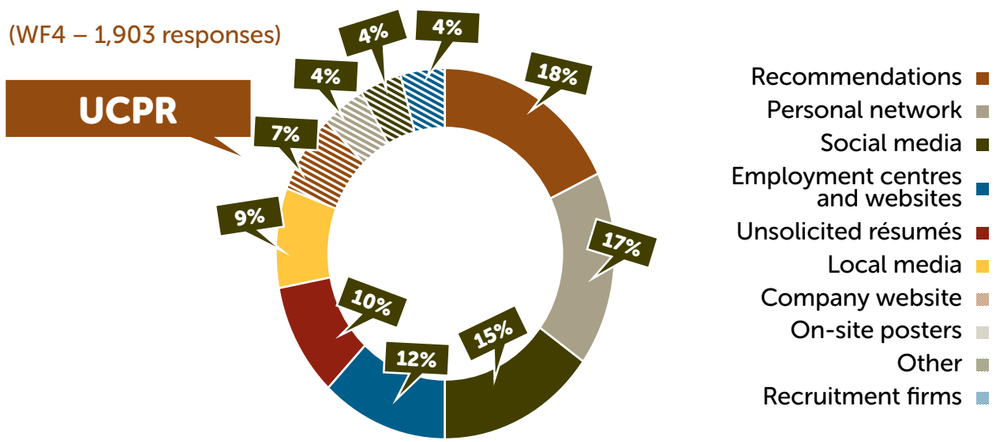
- Labourer (agricultural, concrete, water quality, construction and manufacturing)
- Technician (electrical, computer, mechanic, electromechanical, bodywork, machinist, animal health, heating, ventilation and air conditioning)
- Professional (accountant, engineer, lawyer and architect)
- Health professional (massage therapy and nurse)
- Beneficiary attendant
- Early childhood educator
- Attendant (house keeping and client services)
- Restaurant staff (head chef, cook, server, dishwasher and barman)
- Driver/operator (heavy truck, bus and heavy equipment)
- Financial advisor
- Brewer
- Salesperson
- Management staff
- Administrative support staff
- Marketing specialist

(WF3-D)

RECRUITMENT METHODS FOR NEW HIRES

How Do Business Owners in Prescott and Russell Hire New Employees?

(WF4 – 1,903 responses)

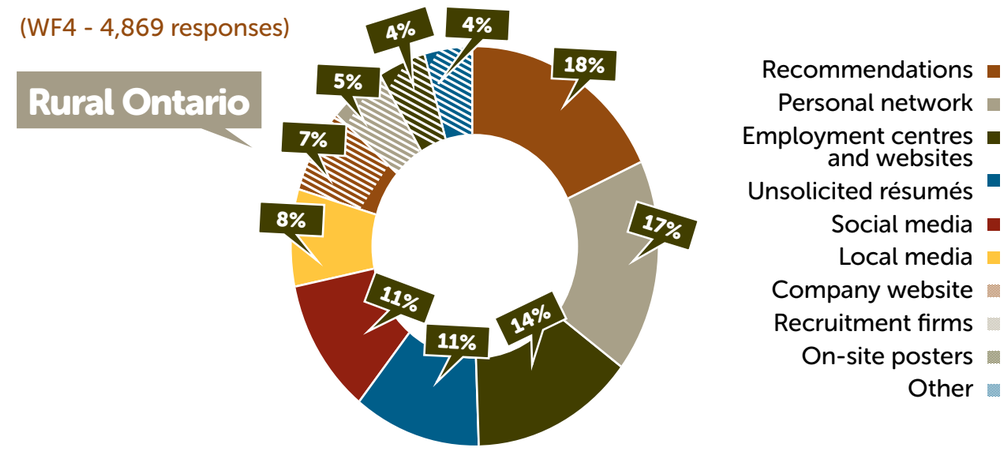


Other

- Training institutions (high schools and colleges)
- Job fairs
- Professional orders and associations
- Internships and co-op programs
- Client recommendations

How Do Business Owners in Rural Ontario Hire New Employees?

(WF4 - 4,869 responses)

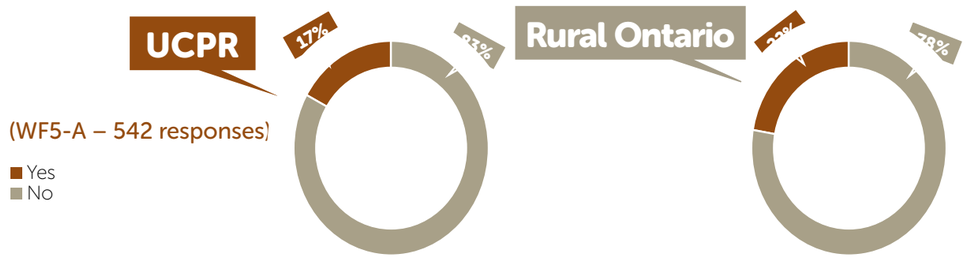


OVERVIEW

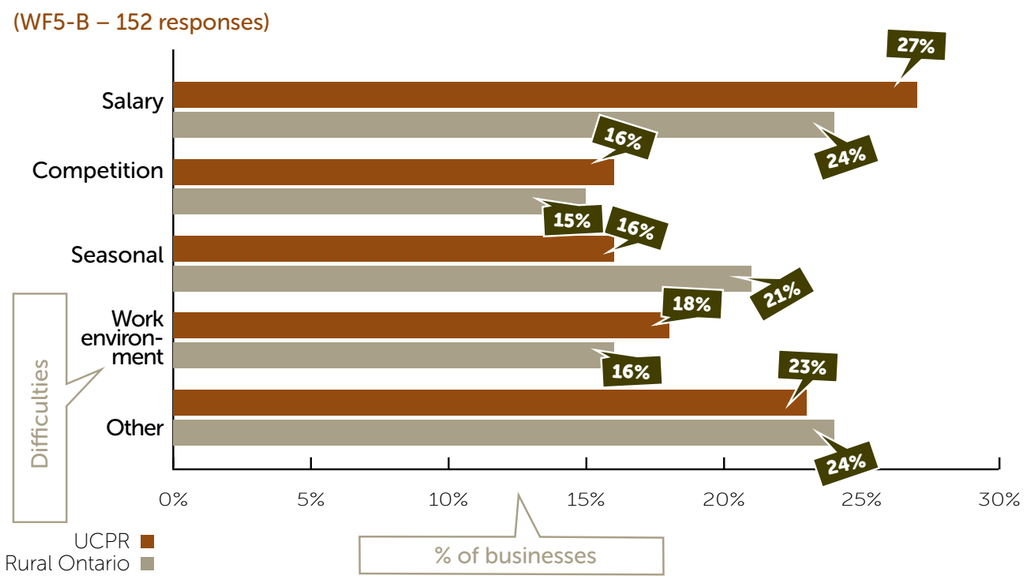
Employers in Prescott and Russell most often hire employees through recommendations, personal networks and employment centres and websites. In contrast, they rarely hire new employees through the company website, "Now Hiring" posters and employment firms. Compared to provincial results, statistics are similar.

RETENTION OF EMPLOYEES

Do Business Owners Have a Difficult Time Keeping Their Employees?



Why Are They Having a Difficult Time Keeping Their Employees?



Workplace (please specify)

- Working in very cold or very hot temperatures
- Unpleasant odours

Other

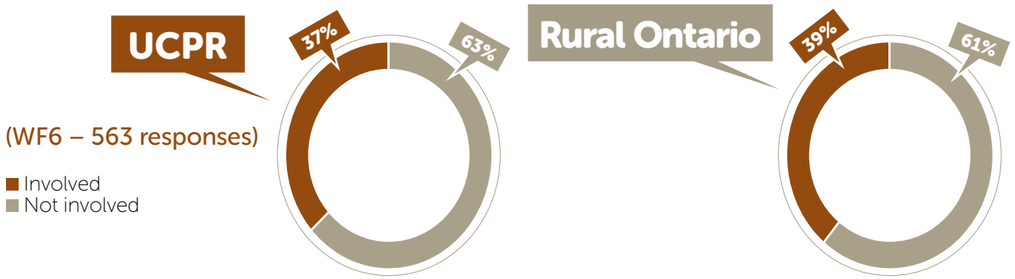
- Exodus of young workers
- Lack of interest of candidates
- Poor availability of qualified workers
- Lack of loyalty of candidates
- Demanding work (repetitive tasks, physically-demanding work)
- Work conditions (schedules)
- Competition with the public service in nearby urban centres and local public sector
- Mobility challenges in rural areas (no public transportation network)

(WF5-B)

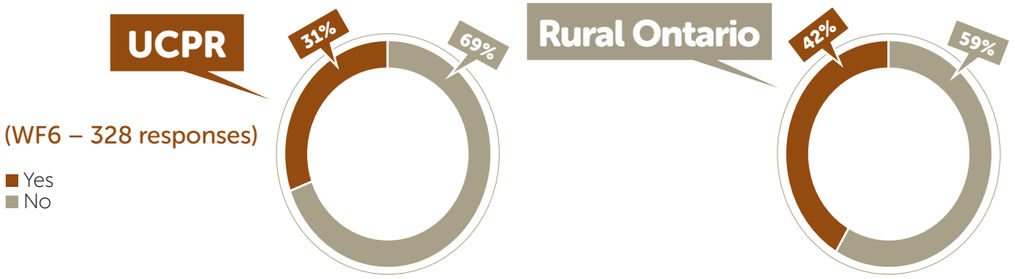
OVERVIEW

83% of employers in Prescott and Russell say that they have no difficulty retaining their employees. Those who are experiencing issues in this respect say that this is due to compensation and the exodus of young workers, lack of interest, qualification and loyalty of candidates, challenging tasks and working conditions, competition with the public sector, as well as mobility challenges in rural areas. Compared to provincial results, the UCPR have a favourable position in this respect, as 5% fewer business owners are experiencing difficulties with employee retention. It should be noted, however, that business owners in Prescott and Russell seem to be having slightly more difficulty offering competitive salaries.

PARTICIPATION OF BUSINESSES IN CO-OP, INTERNSHIP AND APPRENTICESHIP PROGRAMS



If Not, Would Business Owners Like to Receive Information on Co-op, Internship or Apprenticeship Programs?

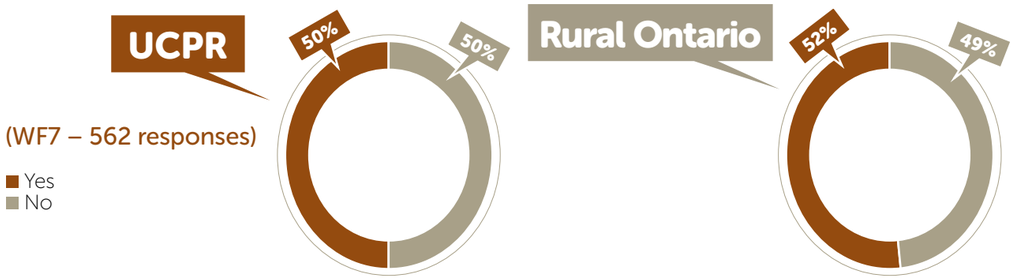


OVERVIEW

37% of business owners in Prescott and Russell use co-op, internship or apprenticeship training programs. These programs are offered by high schools, colleges, and specialized associations. Of all business owners who do not participate in these programs (63%), 69% are not interested in receiving additional information in this respect. Compared to provincial results, the number of business owners who are using these resources is similar. However, fewer business owners in Prescott and Russell who are not using these resources are interested in receiving additional information in this respect.

ACCESS TO TRAINING

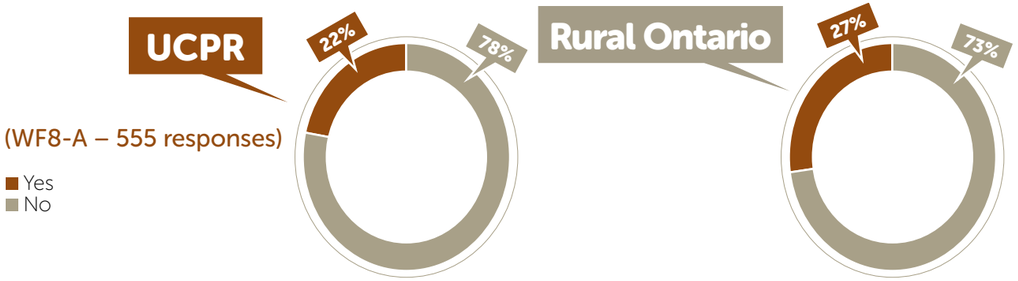
Are Business Owners Currently Participating in External Training Programs?



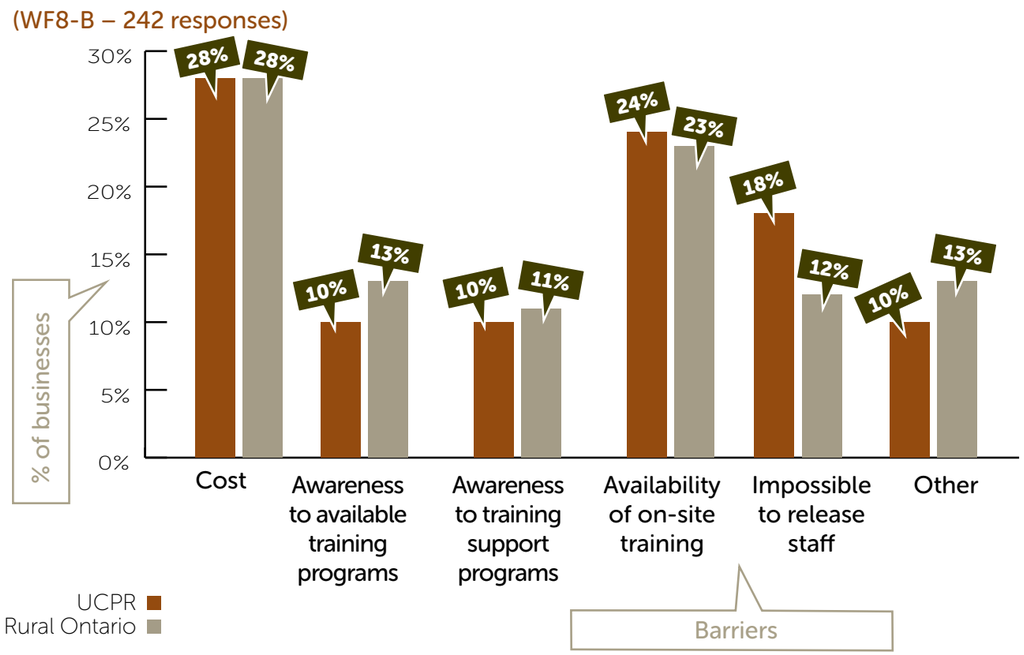
OVERVIEW

One out of two business owners in Prescott and Russell is currently participating in an external training program. Compared to the provincial results, statistics are similar. However, it should be noted that external training is underutilized by entrepreneurs in Prescott and Russell, which represents a weakness for the region.

Are There Any Barriers Preventing Employees or Business Owners from Receiving Required Training?



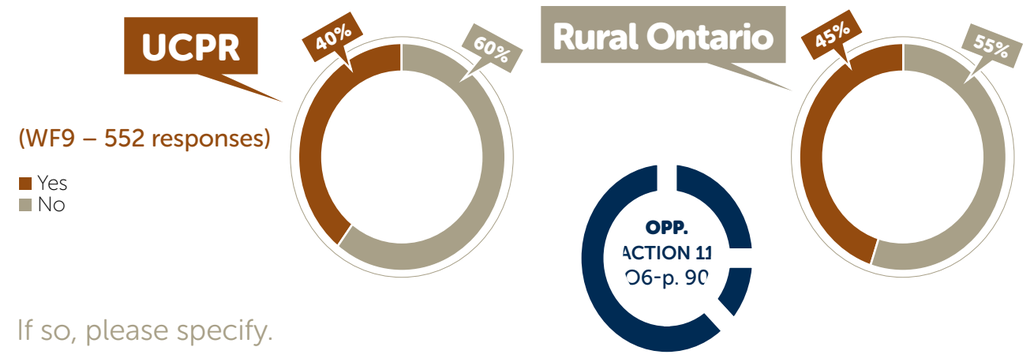
Barriers to Receiving Required Training



OVERVIEW

78% of business owners in Prescott and Russell are not faced with barriers to training. Those who are experiencing barriers in this respect (22%) indicate that cost and availability of on site training represents major challenges.

Are There Training Programs or Themes That May Be Useful to Business Owners or Employees?



If so, please specify.

- Agricultural processes and agronomy
- English as a second language
- Well-being and mental health
- Truck driver (AZ and DZ)
- Forklift
- Basic accounting
- Graphic design
- Business growth and development
- Kitchen
- Mechanical maintenance
- Work ethic and work organization
- Management
- Pesticide management
- Human resources management
- Introduction to financial support programs and how to submit a request for financial support
- Leadership
- Tax laws
- Labour laws
- Handling of hazardous products
- Marketing, websites and social media
- Trades (electrician, carpenter, welder)
- First aid
- Fire prevention
- Organic products
- Restaurant (SmartServe and sommelier)
- Food safety
- Health and safety
- Client services
- Administrative support
- Sales techniques
- Information technologies
- Food products transformation
- Team work and personal development

OVERVIEW

60% of business owners in Prescott and Russell did not identify any training programs and/or themes that may be useful. In contrast, those who responded positively in this respect (40%) listed the subjects above as potentially useful training areas.

WORKFORCE - SWOT

STRENGTHS

- 92% of jobs in Prescott and Russell are permanent, and only 8% of jobs are temporary or seasonal. It should be noted however that 32% of these jobs are not full-time positions. (BI8)
- The majority of employers in Prescott and Russell say that they are facing recruitment difficulties related to the industry, not their respective communities. (WF3)
- 83% of employers in Prescott and Russell are not experiencing any difficulties with employee retention. (WF5)
- Although only one out of two entrepreneurs is participating in external training, 78% say that they are not facing barriers to receiving the training they need. (WF7-8)
- In the last three years, 89% of employers in Prescott and Russell hired new employees or made no changes to their existing teams. 53% of these employers made no changes to their teams and that is because of skill shortages, the minimum salary increase, and succession challenges. (WF1)

WEAKNESSES

- Only 47% of employers in Prescott and Russell consider stability in the workforce as satisfactory. (WF2)
- 50% of employers in Prescott and Russell consider their respective community's ability to attract new employees as "fair to poor". Difficulties attracting foreign workers are primarily due to the lack of support and lack of promotion of regional attributes. (WF2-WF3)
- 51% of employers in Prescott and Russell consider their respective community's ability to retain new employees as "good to excellent". (WF2)
- 45% of employers in Prescott and Russell are currently experiencing recruitment difficulties, which are attributable to the insufficient number of available candidates, lack of training and appropriate skill sets, and lack of relevant experience of candidates. (WF3)
- The majority of employers in the region do not participate in co-op, internship or apprenticeship training programs and are not interested in receiving additional information in this respect. It should be noted, however, that the region is mainly comprised of small businesses. (WF6)

WORKFORCE - SWOT (CONT'D)

OPPORTUNITIES

- The majority of businesses (80%) have 19 employees or less. Of this percentage, 41% of businesses have four employees or less, and the majority of these are possibly owned by self-employed individuals. (BI7)
- Employers in Prescott and Russell hire most of their employees through recommendations, personal networks, as well as employment centres and websites. (WF4)
- 40% of employers in Prescott and Russell suggested training themes that could be useful to them and their teams. (WF9)

THREAT

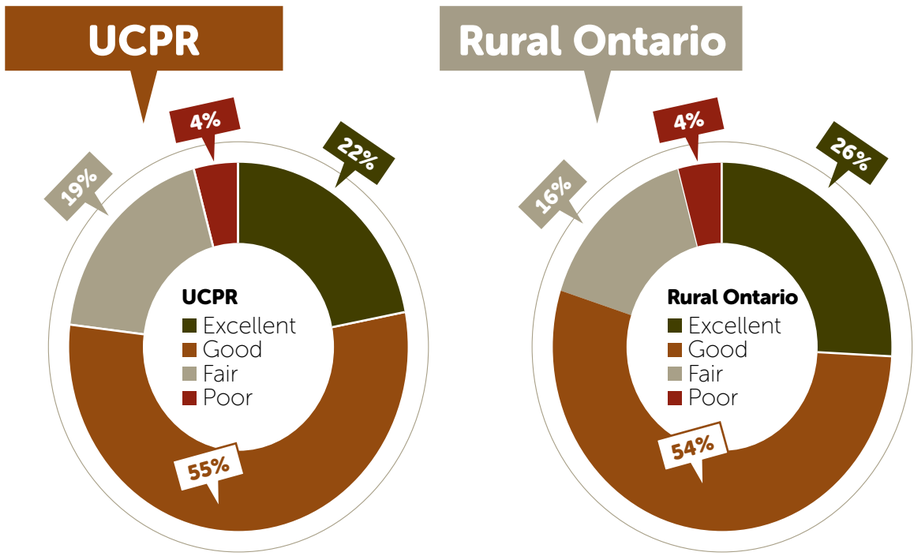
- 60% of employers in Prescott and Russell do not properly assess the availability of qualified workers. (WF2)

03

BUSINESS CLIMATE

GENERAL PERCEPTION OF THE COMMUNITY AS A BUSINESS CENTRE

(BC1 – 563 responses)

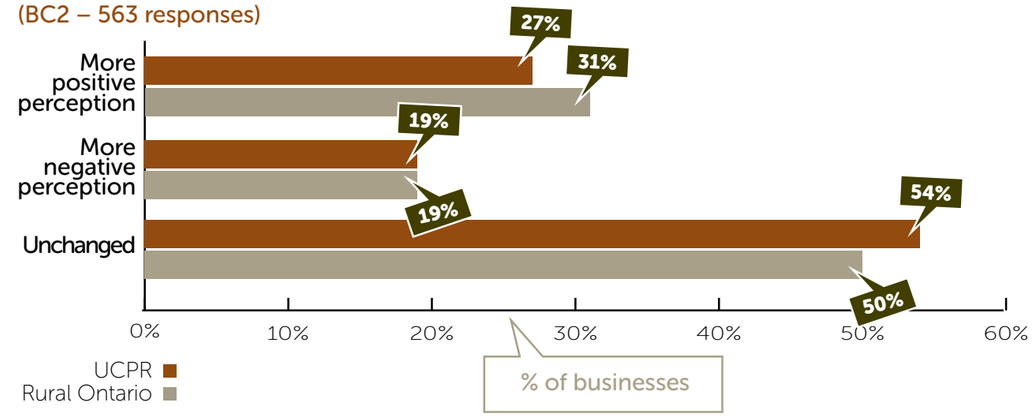


OVERVIEW

77% of business owners in Prescott and Russell have a good (55%) or excellent (22%) perception of the community as a business centre. In contrast, 23% of business owners rated their perception as "fair" (19%) or "poor" (4%). Compared to provincial results, 4% less business owners rated their perception of the community as "excellent" and 3% more business owners rated it as "poor". That said, though the majority of business owners in Prescott and Russell have a "good" perception of the community, it should be noted that statistics in this respect are slightly lower than in other surveyed communities in the province.

CHANGE OF BUSINESS STAKEHOLDERS' PERCEPTION OF THE COMMUNITY OVER THE LAST THREE YEARS

(BC2 – 563 responses)



Reasons Explaining the Change in Perception

The favourable change in perception

- Good business climate fostering business growth
- Community growth and commercial development
- Good community support
- Good relations with the municipal administration
- Support between merchants
- Welcoming community
- Increased interest for local products
- Continued efforts to revitalize the downtown area of all communities

The unfavourable change in perception

- Difficulty recruiting qualified workers
- High business and utility services costs (e.g. minimum salary, municipal property taxes, electricity and natural gas)
- In certain areas, the poor availability, insufficient capacity or poor quality of utility services (water and sewer, electricity, natural gas and Internet) were identified
- Municipal acquisition processes are not well-communicated to the business community, which alienates local businesses and benefits to businesses outside the region
- Slowdown in certain economic sectors

- Strong competition (especially with big box retailers)
- Lack of public transportation services
- Small communities are not able to support certain businesses
- Exodus of youth
- Lack of support resources for small businesses
- Resistance to change or development from certain stakeholders

(BC2)

OVERVIEW

In the last three years, 54% of business owners maintained the same perception of the community; 19% gained a more negative perception; and 27% of business owners gained a more positive perception. Compared to provincial results, 4% fewer business owners gained a more positive perception of the community but more business owners did not change their perception. In summary, 81% of business owners in Prescott and Russell either maintained the same perception (54%) of the community or gained a more positive perception (27%), which represents a strength for the region.

REVIEW OF KEY COMMUNITY BUSINESS FACTORS

GOOD

UCPR	RURAL ONTARIO
• Workforce • Availability of developed land • Offices available for lease or purchase • Process for issuing building permits and developing land • Fees and development charges • Local streets and roads • Regional and provincial roads and highways • Proximity of railway and airport services • Availability of medical and health services • Quality of life • Availability of suitable housing units • Support from the municipal administration • Support from other businesses • Support from residents • Cellphone services • Internet services • Water and wastewater facilities • Water and sewer charges • Availability of appropriate power supply • Availability of natural gas *Good to excellent • Natural gas cost	• Workforce • Availability of developed land • Offices available for lease or purchase • Process for issuing building permits and developing land • Local streets and roads • Regional and provincial roads and highways • Proximity of railway and airport services • Availability of medical and health services • Quality of life • Availability of suitable housing units • Support from the municipal administration • Support from other businesses • Support from residents • Cellphone services • Internet services • Water and wastewater facilities • Water and sewer charges • Availability of appropriate power supply • Availability of natural gas • Natural gas cost

FAIR

UCPR	RURAL ONTARIO
• Cost of land • Municipal property taxes	• Cost of land • Fees and development charges • Municipal property taxes

POOR

UCPR	RURAL ONTARIO
• Cost of electricity	• Cost of electricity

(BC3 – 563 responses)

LEVEL OF SATISFACTION FOR EACH SERVICE

Community Services

NO USE

UCPR
• Childcare services • Post-secondary education • Eastern Ontario Training Board • Hawkesbury and Region Chamber of Commerce • Prescott-Russell Chamber of Commerce • Clarence-Rockland Chamber of Commerce • Vankleek Hill Business and Merchant Association • Prescott-Russell Community Development Corporation • Contak Staffing Solutions • Prescott and Russell Entrepreneurship Centre • Prescott-Russell Tourism • Prescott-Russell Entrepreneurial Academy • Eastern Ontario Agri-Food Network

WEAKNESS
ACTION 6
W5-p. 86

GOOD

UCPR
• Elementary and secondary schools • Prescott-Russell Employment Services Centre

(BC4 – 500 responses)

Municipal Services

GOOD

UCPR	RURAL ONTARIO
• Planning, engineering, zoning and building permits • Health services and approvals from sanitary units • Police services • Fire services • Library services • Recreational facilities • Cultural facilities • Parks and green spaces • Streets and roads repair • Snow removal • Waste and recycling collection • Economic development services • Public transportation	• Planning, engineering, zoning and building permits • Health services and approvals from sanitary units • Police services • Fire services • Library services • Recreational facilities • Cultural facilities • Parks and green spaces • Streets and roads repair • Snow removal • Waste and recycling collection • Economic development services

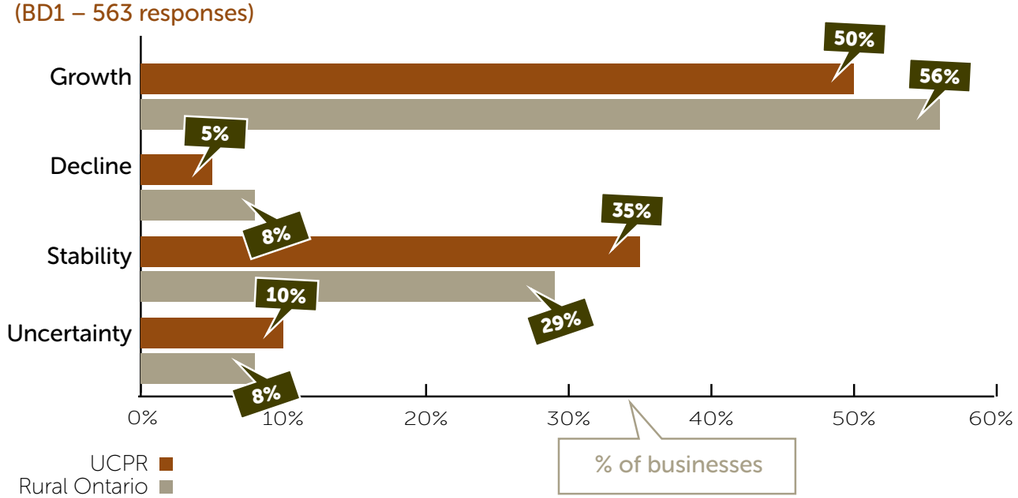
POOR

UCPR	RURAL ONTARIO
• N/A	• Public transportation

(BC4 – 563 responses)

INDUSTRY PERSPECTIVE OF COMMUNITY BUSINESSES

(BD1 – 563 responses)



Reasons for Growth and Decline Prospects

Growth prospects

- Growth of Prescott and Russell communities
- Prosperity of the region
- Regional tourism development
- Expansion of regional businesses
- Innovative products
- Equipment improvements
- Increased demand for products and services
- Consumer trends with local and organic products
- Arrival of e-commerce
- Better marketing practices
- Region is well-located for distribution
- Increased foreign investments
- Technology advancements

Decline prospects

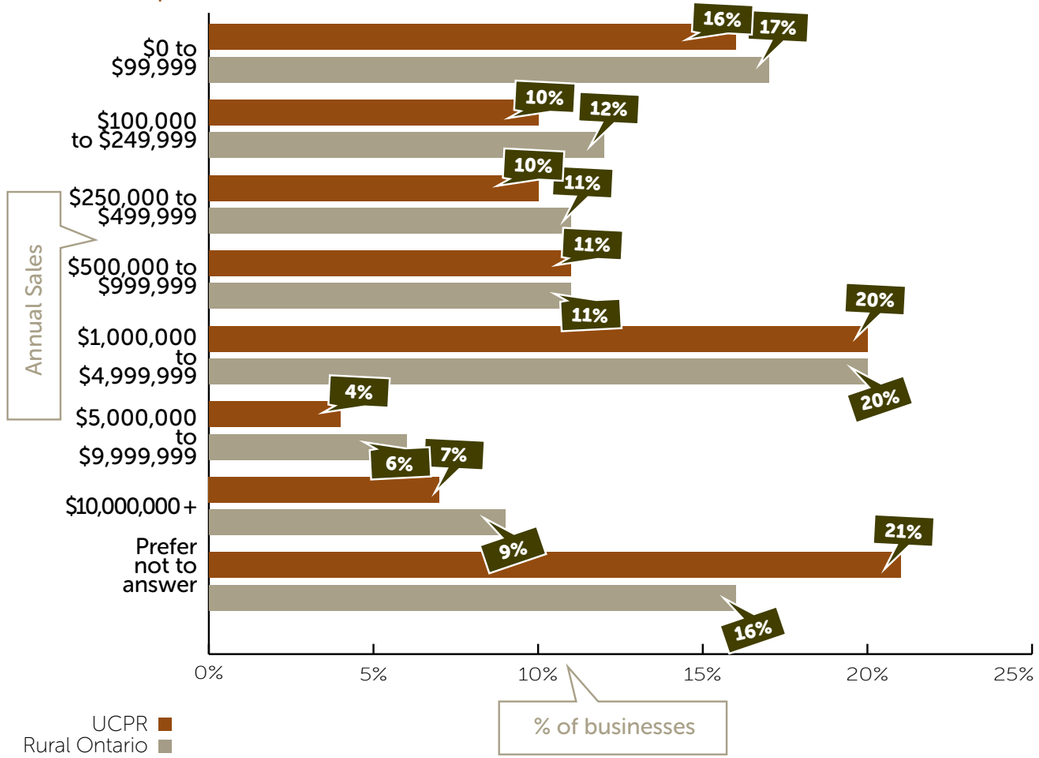
- Constantly increasing operational costs
- Difficulty hiring qualified workers
- Outdated electrical infrastructure
- Decline in the Canadian dollar value
- Strong competition (particularly with large companies)
- Temperature variations and climate changes
- Aging population
- Certain legislations limit business opportunities
- Changes in consumer habits
- Poor availability of agri-tourim services in the region

OVERVIEW

85% of employers in Prescott and Russell are in growing markets (50%) or stable markets (35%). Compared to provincial results, a few more businesses are in uncertain markets but significantly fewer businesses in the region are in declining markets. Market growth is primarily due to the development of regional communities, increased interest for local products and services and technology advancements. In contrast, the moderate decline in markets is primarily due to operational cost increases, challenges in hiring skilled workers, and strong competition with industry leaders.

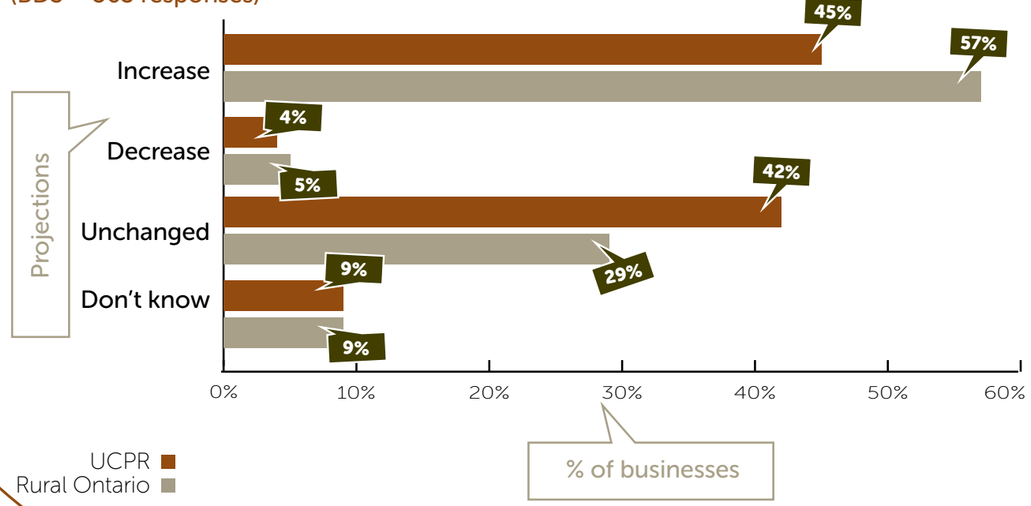
ANNUAL SALES

(BD2 – 561 responses)



Estimated Annual Sales in the Coming Year

(BD3 – 563 responses)



Reasons for Growth and Decline Prospects

Growth prospects

- Demographic growth and economic growth in the region
- Increased demand for products and services
- Better product and service offerings
- Business expansion
- Market growth
- More efficient marketing

Decline prospects

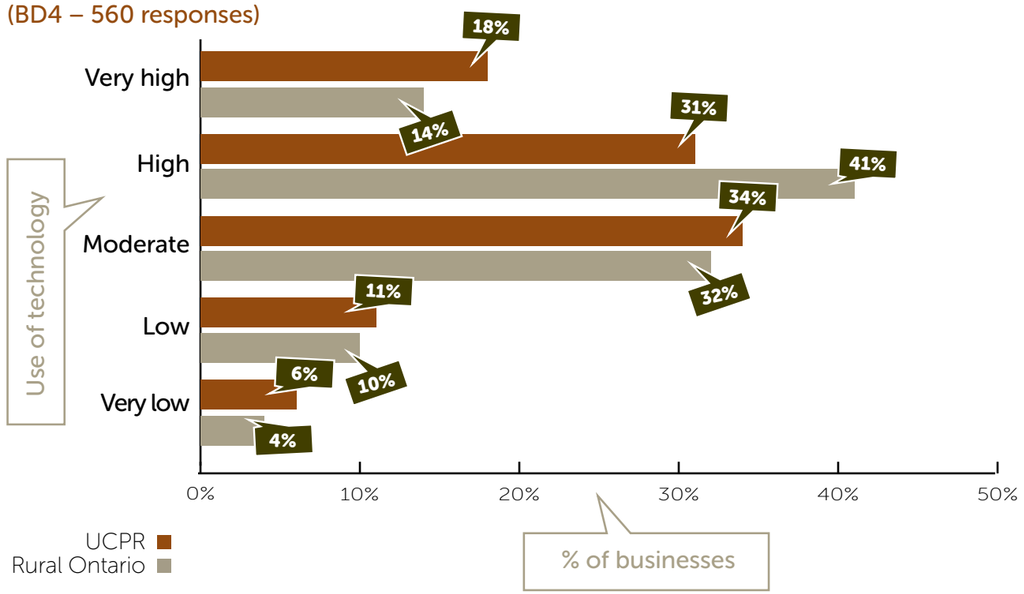
- Planned retirement of the business owner
- Strong competition
- High business costs
- Climate changes

OVERVIEW

47% of businesses in Prescott and Russell achieve annual sales of $999,999 or less, and 31% achieve annual sales of $1,000,000 or more. Similarly, 87% of business owners in the region expect sales to increase (45%) or remain stable (42%) in the next year. Increases in sales are driven by the development of communities and businesses in the region, as well as good market performance in general. In contrast, the moderate declines in sales are driven by problems with succession planning, strong competition and high business costs. Compared to provincial results, it is obvious that business owners in Prescott and Russell are mostly expecting stability in sales in the next year. In summary, businesses in the region perform well and expect, in general, increases or stability in sales, thus representing a strength for the region because of the lower sales decline prospects (4%).

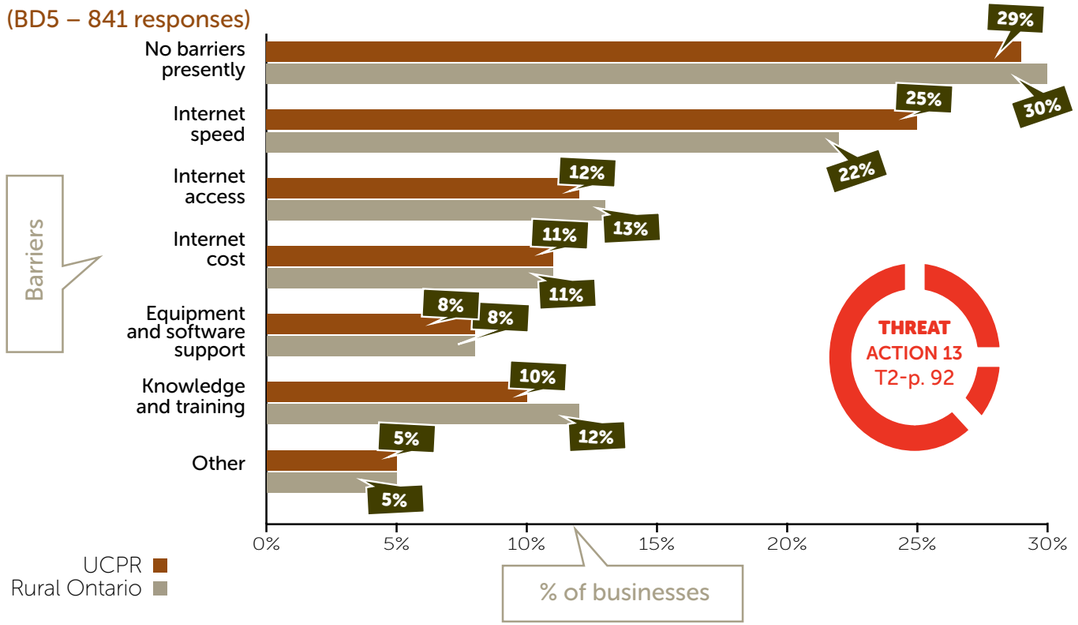
USE OF TECHNOLOGY BY COMMUNITY BUSINESSES

(BD4 – 560 responses)



Are Businesses Experiencing Any Barriers to Information Technology Requirements?

(BD5 – 841 responses)



THREAT
ACTION 13
T2-p. 92

Other

- Outdated computer equipment
- Difficulty recruiting skilled workers in the information technology field
- Cellular coverage is not available everywhere (outside urban centres)
- Technology in general is costly (not only the cost of Internet access)
- Lack of time and resources to access available technologies

Please explain.

- Limited access, high cost and low-speed of Internet services prevents businesses to conduct their operations efficiently
- Fibre optic is essential for the proper functioning of businesses
- Limited options available for Internet services providers
- Unreasonable delays and costs to obtain technical support in rural areas
- Lack of knowledge in general regarding available technologies
- Difficulty receiving technology training locally

OVERVIEW

In Prescott and Russell, businesses are well positioned in terms of technology use as 83% consider their use as "moderate to high". Compared to regional results, slightly more (4%) business owners consider their use of technology as "very high". However, there are also more (3%) business owners in Prescott and Russell who consider their use of technology as "low to very low" and fewer (10%) consider it as "high", compared to other surveyed rural communities of the province. Collected data shows that, more often than not, business owners in the region are less likely to use technology to carry out their operations. Difficulties in receiving technical support and training in rural areas, lack of time and costs to implement new technologies, as well as challenges with recruiting skilled workers in the field, seem to discourage business owners in using certain technologies and could explain why entrepreneurs in Prescott and Russell are not using technologies at their full potential. Furthermore, 48% of business owners in the region are experiencing issues related to Internet speed (25%), connection (12%) and cost (11%).

BUSINESS PROCUREMENT

Products or Services That Local Businesses Would Like to Purchase Locally That Are Currently Being Purchased Outside the Region

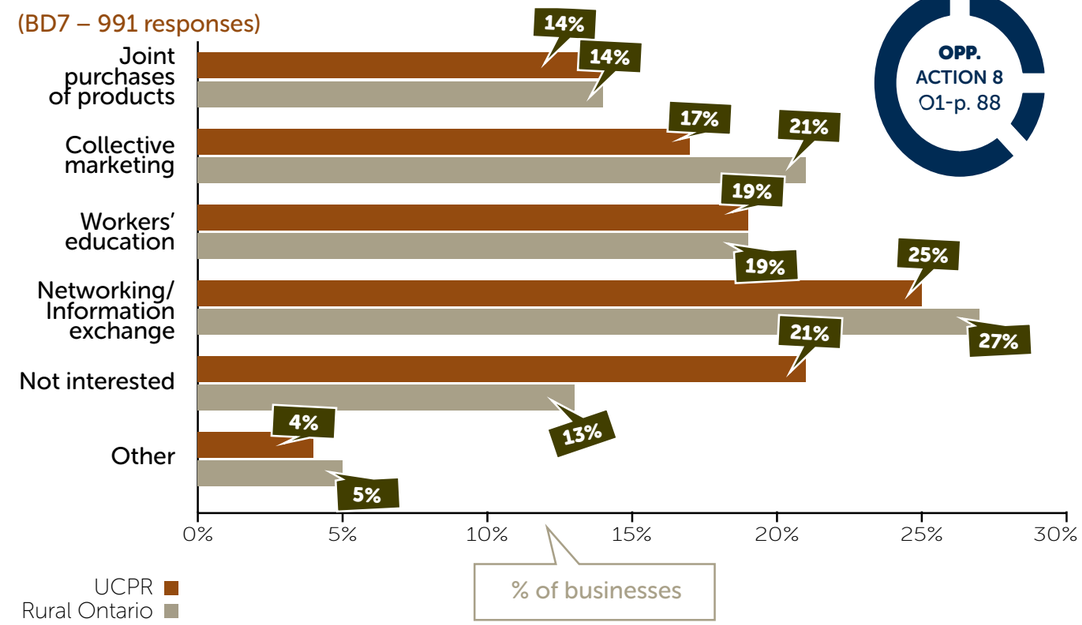
Products and services purchased outside the community
*For complete lists, please consult the municipal reports.

- Computer products and services
- Office supplies
- Food products (fruits, vegetables, meat, fish, beans and flavoured oils)
- Hops, malted barley and wheat
- Organic products
- Product packaging
- Internet services
- Mechanical parts (automotive and agricultural)
- Raw materials (steel, aluminum and lumber)
- Apparel (work clothes and farm clothes)
- Agricultural seeds
- Restaurant supplies
- Construction materials

OPP. ACTION 10 O4-p. 90

COOPERATION BETWEEN BUSINESSES

Would You Like to Cooperate with Other Businesses of the Community to Implement the Following?



OPP. ACTION 8 O1-p. 88

Other

- Collective pool of candidates for businesses to offer permanent or part-time jobs (shared human resources)
- Cooperation between businesses through chambers of commerce

OVERVIEW

The majority of business owners in Prescott and Russell would be willing to cooperate with their counterparts in regard to networking/information exchange. Compared to provincial results, business owners in Prescott and Russell are 8% less likely to cooperate with other entrepreneurs in the community.

COMMUNITY ADVANTAGES AND DISADVANTAGES

What Are the Community's Three Main Advantages According to the Business People?

ADVANTAGES	1	2	3
	Excellent geographic location	**Quality of living**	**Positive business climate**

STRENGTH
ACTION 1
S1-p. 80

(CD2)

What Are the Community's Three Main Disadvantages According to the Business People?

DISADVANTAGES	1	2	3
	Limited access to utility services (water and sewer, natural gas, electricity and Internet)	**High business costs** (property taxes, lease payments and costs of utility services)	**Poor availability of skilled workers** (competition with employers in urban centres, exodus of youth, qualification and motivation of candidates)

(CD3)

MAJOR CHANGES WITHIN THE BUSINESS COMMUNITY FORECASTED OVER THE NEXT FIVE YEARS

1. Increase economic development efforts
   i. Attract new businesses and new industries in the region by creating incentives and promoting them
   ii. Encourage residential development
   iii. Ensure the promotion of the region
   iv. Foster cooperation between regional economic development stakeholders to improve the business support network
   v. Provide additional support to start-up businesses
   vi. Find solutions to relieve the burden of the high cost of electricity on businesses
   vii. Better promote local buying
   viii. Ensure the sustainable development of regional communities
   ix. Attract qualified workers in the region
   x. Support the expansion and development of industrial parks
   xi. Better inform businesses of available resources and programs
2. Improve infrastructure and public utility services
   i. Improve access to public utility services and quality of these services (water and sewer, electricity, natural gas and Internet)
   ii. Create an intermunicipal public transportation network in the region
   iii. Enlarge County Road 17 to promote development all along
3. Implement solutions to resolve problems related to workforce recruitment
   i. Limit the exodus of youth
   ii. Attract qualified workers
   iii. Provide support to businesses to help them offer training locally
   iv. Build post-secondary education institutions (i.e. school of trades)
4. Create more tourism development activities
   i. Plan for more tourist attractions in the region
   ii. Further develop cycling tourism
   iii. Improve tourism marketing
5. Develop downtown areas
   i. Revitalize the main street in all communities in the region

OPP.
ACTION 9
O3-p. 88

(CD4)

SUPPORT FOR THE IMPLEMENTATION OF OPERATIONS

MOST HELPFUL SUPPORT

- Workshops on e-commerce, social media and online content
- Business networking workshops
- Marketing and group advertising
- Workforce planning, training and recruitment
- Recruitment of procurement businesses and related services
- Enhancement of productivity
- Access to information

LEAST HELPFUL SUPPORT

- Marketing seminars
- Succession planning
- Fairs
- Business plan updating
- Export development programs and services

OPP. ACTION 8 O2-p. 88

(CD5 – 1,703 responses)

BUSINESS CLIMATE - SWOT

STRENGTHS

- 77% of business owners in Prescott and Russell have a good (55%) or excellent (22%) perception of the community as a business centre. (BC1)
- In the last three years, 81% of business owners in Prescott and Russell either maintained their perception of the business community (54%) or adopted a more positive perception in this regard (27%). (BC2)
- The majority of factors related to the business climate in Prescott and Russell are considered as "good". (BC3)
- All municipal services are considered as "good". (BC4)
- 85% of businesses in Prescott and Russell are in growing (50%) or stable (35%) markets. (BD1)
- 87% of business owners in the region are expecting sales to increase (45%) or to remain stable (42%) in the next year. (BD3)
- The three main advantages of the community are its excellent geographic location, quality of living for its residents and positive business climate. (CD2)

WEAKNESSES

- The cost of land and municipal property taxes is considered as "fair". (BC3)
- 13 out of 15 community organizations or services available through the regional business support network are not consulted. (BC4)
- The cost of electricity is considered as "poor", just as in other regions of the province. (BC3)

BUSINESS CLIMATE - SWOT (CONT'D)

OPPORTUNITIES

- The majority of business owners in Prescott and Russell are willing to cooperate with their counterparts in regard to networking/exchange of information. (BD7)
- At the regional level, business owners wish to see the following changes in the next five years: increased economic development efforts, improvements to infrastructure and public utility services, implementation of solutions to resolve recruitment issues, increased tourism development activities and revitalization of downtown areas. (CD4)
- Business owners say that workshops on online shopping, social media and Web content, networking, marketing and group advertising would help ensure business development. (CD5)

THREATS

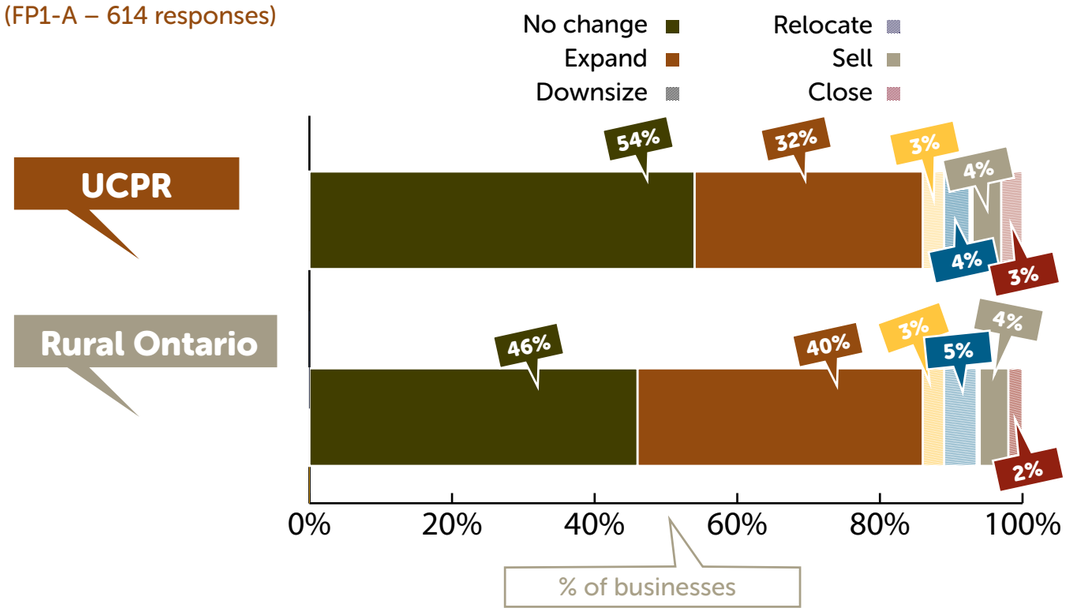
- The three main disadvantages of the region are as follows: limited access to public utility services, high business costs, and poor availability of qualified workers. (CD3)
- Though 83% of business owners consider their use of technology as "moderate to high", 48% are experiencing issues with Internet speed (25%), connection (12%) or cost (11%). These problems significantly impede their ability to adequately carry out their operations on a daily basis. (BD5)

04 FUTURE PROJECTS

FUTURE BUSINESS PLANS

What Do Businesses Plan on Doing Over the Next 18 Months?

(FP1-A – 614 responses)



What Are the Main Reasons Why Businesses Are Not Planning to Make Any Changes?

- Business is performing well
- Business recently expanded
- New administration or start-up business
- Planned retirement
- Franchised businesses usually have no decision-making in this respect
- Business is limited due to its financial situation
- The minimum salary increase creates uncertainty
- Unable to find a location for the expansion
- Reduced traffic levels
- Unable to meet workforce needs
- The market is saturated

(FP1-B)

OVERVIEW

In the next 18 months, 54% of business owners in Prescott and Russell are not expecting to make any changes in terms of size, whereas 32% of business owners are looking to expand. It should be noted that only 14% of business owners are thinking of either moving (4%), reducing their operations (3%), selling (4%) or closing (3%). Compared to provincial results, the share of business owners who are not looking to make any changes to their operations is 8% higher in Prescott and Russell. The main reasons why businesses in the community are not thinking of making any changes are good business performance, a planned retirement, the precarious financial situation of certain businesses, the slowdown or uncertainty of business, and recruitment difficulties. It should also be noted that the number of business owners wanting to expand is 8% lower in Prescott and Russell than in other surveyed rural communities of the province. Entrepreneurs are therefore likely not going to do any business changes in the next 18 months.

EXPANSION

Main Reasons Prompting Businesses to Expand Their Operations

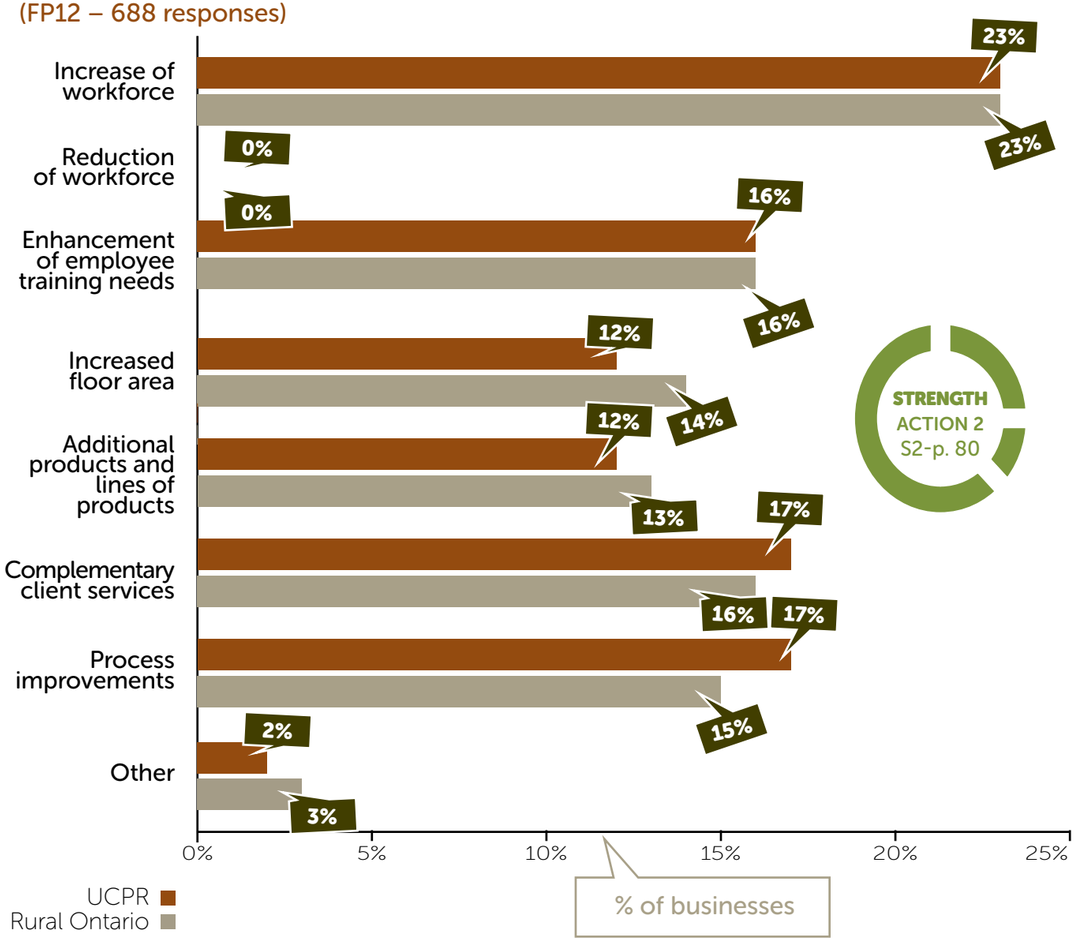
Main reasons for potential expansion within the community are as follows:

- Meet the increased demand for products and services;
- Support tourism development in the region;
- Access new markets;
- Increase market shares;
- Seize new business opportunities;
- Support business growth;
- Improve business profitability;
- Access new spaces;
- Increase business competitiveness;
- Develop or improve products and services; and
- Ensure proper business succession.

(FP11)

Impacts of Anticipated Expansion Projects Over the Next 18 Months

(FP12 – 688 responses)



	UCPR
Workforce increase in total	583 jobs
Increase of floor area in total	1,2 M sq. ft.

Other anticipated impacts:

- Construction projects
- Purchases of additional equipment

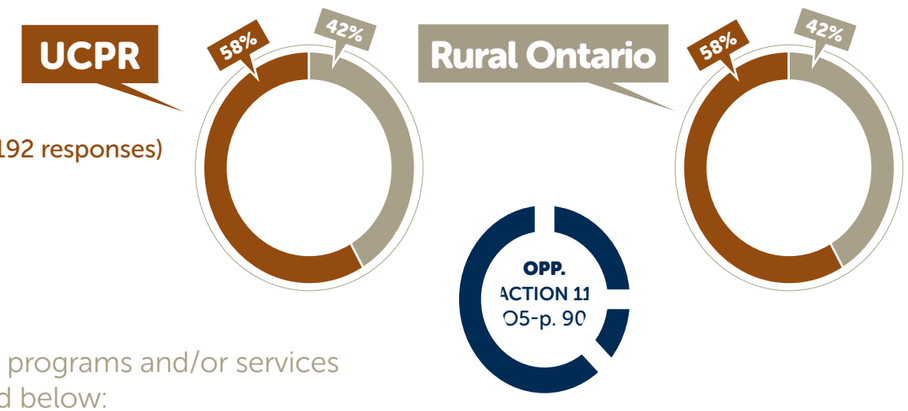
OVERVIEW

In the next 18 months, business owners in the region who are looking to expand expect to create 583 jobs, in total, and collectively expand their floor space by 1.2 M sq. ft. As a result, jobs will be created, processes will be improved, and additional services will be provided. Compared to provincial results, expected outcomes are very similar. It should also be noted that planned expansion projects in the community should result in construction projects and purchases of additional equipment, which is good for the regional economy.

Intention to Request Support from Federal or Provincial Programs and/or Services to Facilitate Expansion Plans

(FP13 – 192 responses)

Yes
No



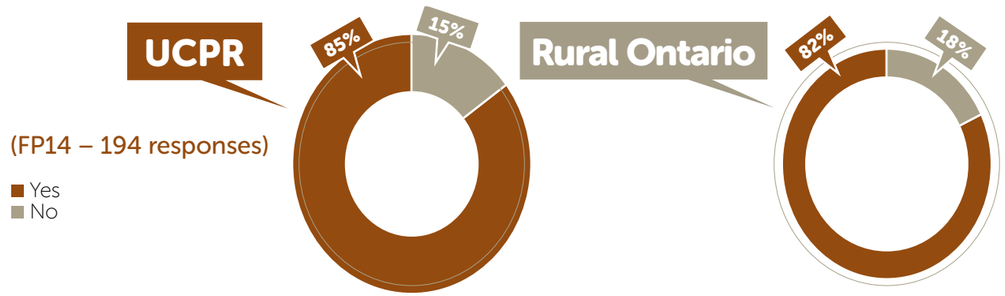
Support programs and/or services are listed below:

- Eastern Ontario Development Fund (provided by the Prescott-Russell Community Development Corporation);
- Eastern Ontario Development Program - FedDev Ontario (provided by the Prescott-Russell Community Development Corporation);
- Support provided through the Prescott-Russell Entrepreneurship Centre;
- Growing Forward 2;
- Industrial Research Assistance Program;
- Professional training on scientific research and experimental development (SR and ED);
- Training and hiring subsidies provided by the Prescott-Russell Employment Services Centre;
- Trillium Foundation;
- Canada-Ontario Job Grant;
- Dairy Farm Investment Program;
- Economic Development Initiative; and
- Funding through the Business Development Bank of Canada.

OVERVIEW

58% of business owners in Prescott and Russell intend on requesting support through federal or provincial programs and/or services for their expansion project. Compared to provincial results, statistics are identical.

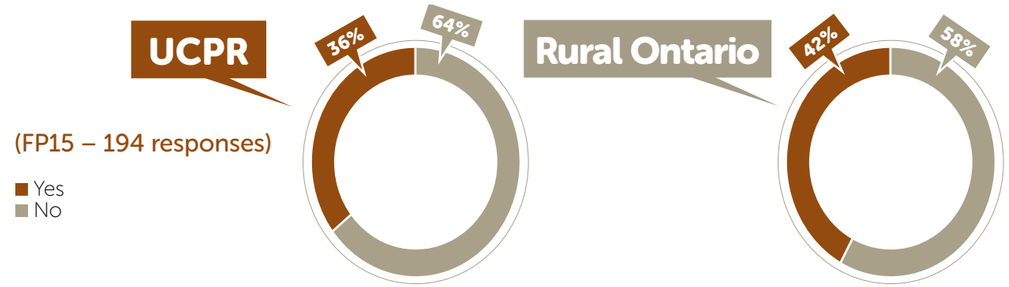
Interest in Receiving Information on Federal and Provincial Programs and/or Services in Support of Expansion Projects



OVERVIEW

85% of business owners in Prescott and Russell would like to receive information on federal and provincial programs and services offered in support of expansion projects. Compared to provincial statistics, results are similar.

Are Community Businesses Having Issues with Their Expansion Projects?



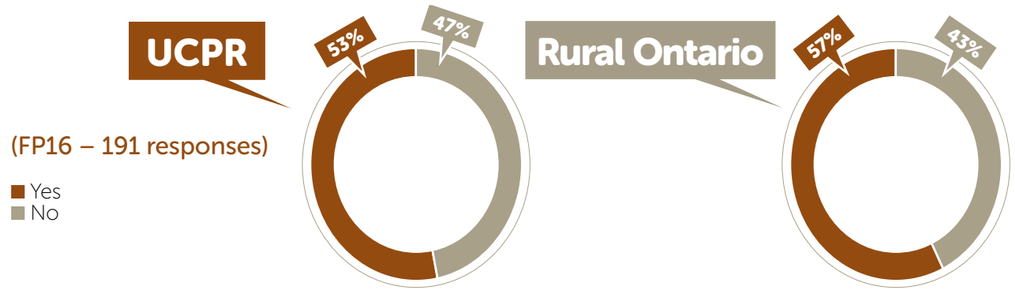
What Expansion Issues Are Businesses Having?

- Lack of financial resources and difficulty to obtain funding.
- Difficult to find the ideal location (inadequate zoning, costly locations, poor availability of locations, and few locations have a connection to public utility services).
- Difficult to access public utility services (water and sewer, Internet, natural gas and electricity).
- Difficulties with the delivery process for construction permits in many regional municipalities. Delays are the most identified concerns.
- Uncertainty with regard to workforce recruitment following the expansion project.
- In need of administrative support for the drafting of business plans, research for subsidies and drafting of applications.

OVERVIEW

Currently, 64% of business owners in Prescott and Russell are not experiencing any issues planning their expansion projects. Those who are having issues in this respect (36%) indicated that these are mainly attributable to financial difficulties, unavailability of the ideal location, difficult access to public utility services, delays for the delivery of construction permits, labour shortages and lack of administrative support. Compared to provincial results, the UCPR are in a favourable position, as there are 6% fewer entrepreneurs in the region who are currently having difficulty expanding.

Can the Community Help in Any Way with Anticipated Expansion Projects?



What Can the Community Do to Help?

- By continuing to offer support with workforce recruitment
- By facilitating the delivery process for construction permits and relevant requirements
- By better encouraging local businesses and using their products and services
- By receiving better support from the municipal administration and elected officials during proposed projects
- By improving access to public utility services and related costs (water and sewer, Internet, natural gas, and electricity)
- By ensuring better support and coaching for businesses (drafting of business plans and grant applications, and business advice)
- By offering incentives or financial support

OVERVIEW

53% of business owners in Prescott and Russell indicate that support from the community could facilitate their expansion. The community can help businesses by facilitating workforce recruitment, simplifying processes for the delivery of construction permits, supporting local merchants, better supporting proposed projects, improving public utility services and reducing relevant costs, providing business coaching opportunities, and suggesting incentives or financial support for the development of expansion projects. Compared to provincial results, business owners in Prescott and Russell are slightly less likely to think that assistance from their community could help them implement their expansion project.

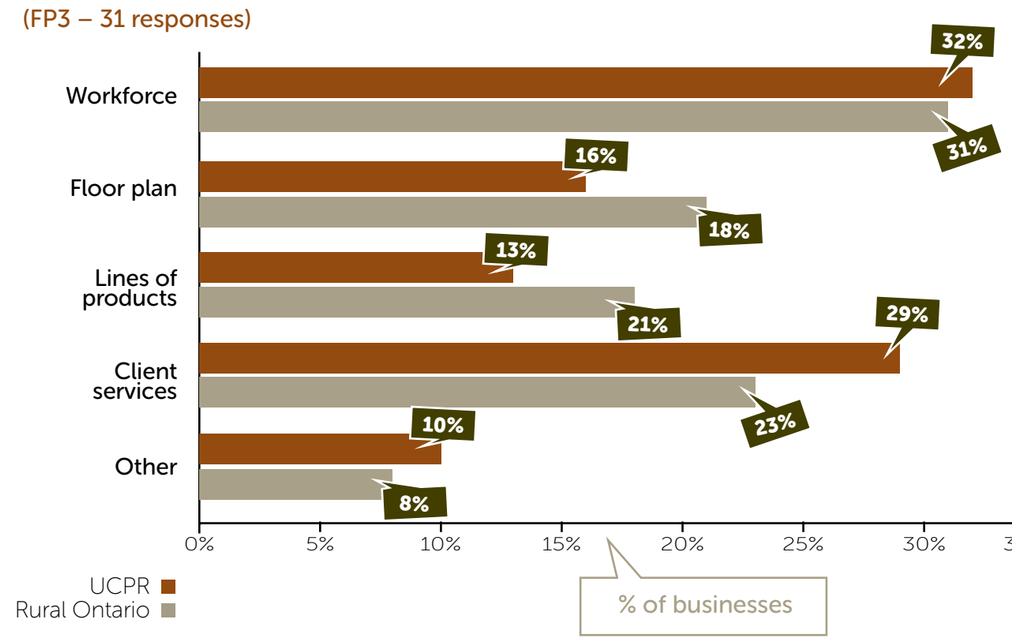
DECREASE OF OPERATIONS

Main Reasons for Decreasing Business Operations

- Skilled labour shortages
- Financial difficulties
- Business costs are constantly rising
- Planned retirement and difficulty ensuring business succession
- Minimum salary increase

(FP2)

Reductions Arising from the Decrease of Operations



UCPR

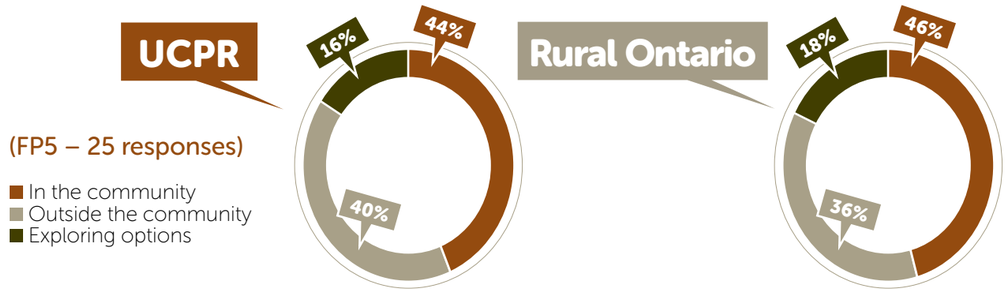
Reduction of workforce in total	16 jobs

OVERVIEW

Business owners who are planning on reducing their operations will primarily need to reduce the workforce as well. Skilled labour shortages, the precarious financial situation of certain businesses, higher business costs, difficulties with succession planning, and the minimum salary increase explain why businesses in the community are thinking of downsizing. Compared to provincial results, business reductions in Prescott and Russell could slightly increase job losses and the discontinuance of client services. However, the number of potentially lost jobs remains relatively low (16 jobs).

RELOCATION

Where Do Businesses Plan on Moving?



Business owners looking to relocate are interested in moving to:

- Canada (Ontario and Québec); and
- United States.

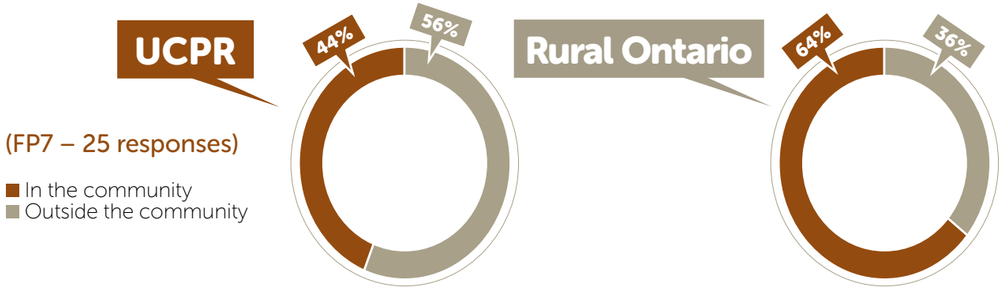
Reasons Motivating Business Owners to Move

- Poor availability of qualified workers
- Insufficient space for planned expansion projects
- High costs of public utility services
- High business costs
- Insecurity due to the arrival of other industries in the region

OVERVIEW

60% of business owners who are thinking of moving are looking to do so in the community. Among those who are thinking of moving outside the community (40%), collected data suggests that they are looking to move elsewhere in Canada, either in Ontario or Quebec, or in the United States. Intentions of moving are driven by workforce shortages, insufficient space for planned expansion projects, high costs of public utility services and business costs, as well as insecurity about the arrival of different industries in the region. Compared to provincial results, slightly more (4%) business owners are looking to move outside the community.

Can the Community Help to Avoid or Facilitate Relocations?



How Can the Community Help Prevent or Facilitate Business Relocations?

- By promoting spaces that are available for lease or purchase
- By promoting access to skilled workers
- By improving access to public utility services (water and sewer, and electricity)
- By providing more financial support to help with the recruitment of additional resources

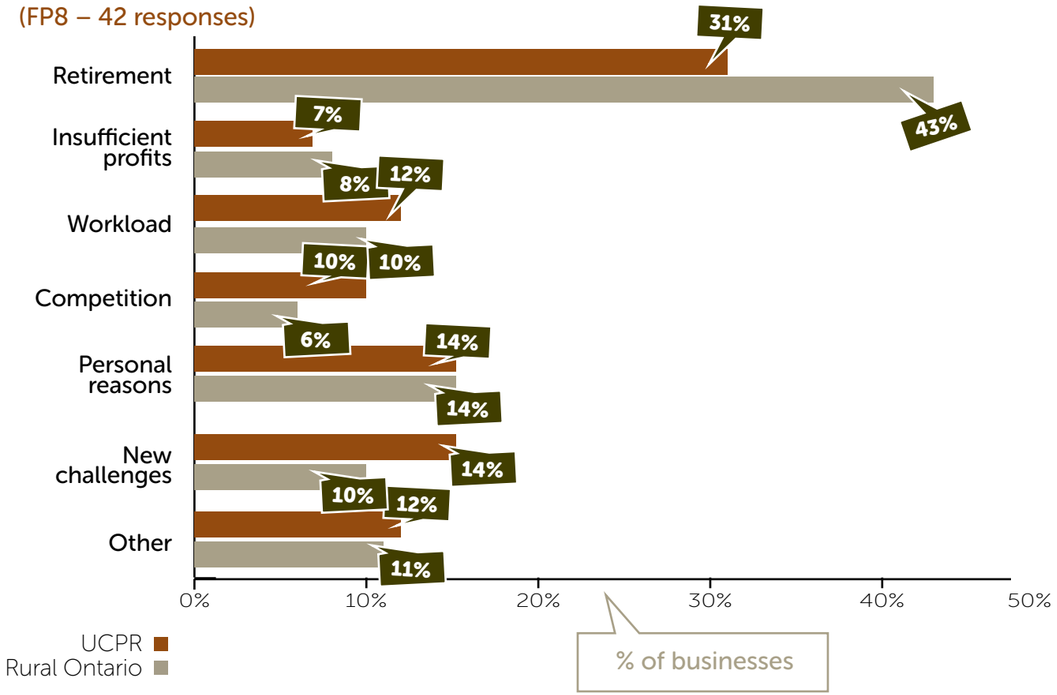
OVERVIEW

44% of business owners say that better promotion of spaces that are available for lease and for purchase, assistance in finding qualified workers, improvements to certain public utility services, and increased financial support could help avoid or facilitate their move. Compared to provincial results, business owners in Prescott and Russell are 20% less likely to think that the community's assistance could help avoid or facilitate their moving plans.

SALE

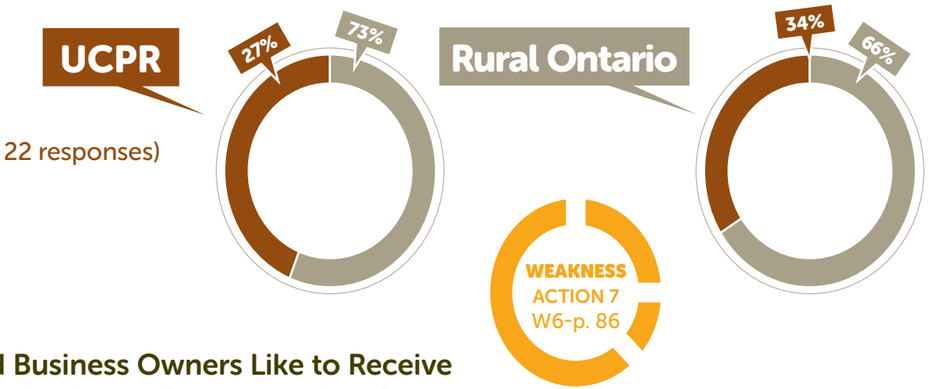
Reasons for the Sale of Businesses in the Community

(FP8 – 42 responses)



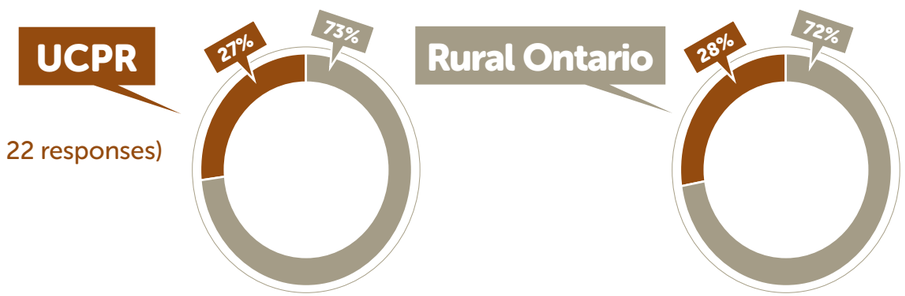
Do Business Owners Have a Succession Plan?

(FP9 – 22 responses)



Would Business Owners Like to Receive Help in Drafting a Succession Plan?

(FP9-A – 22 responses)

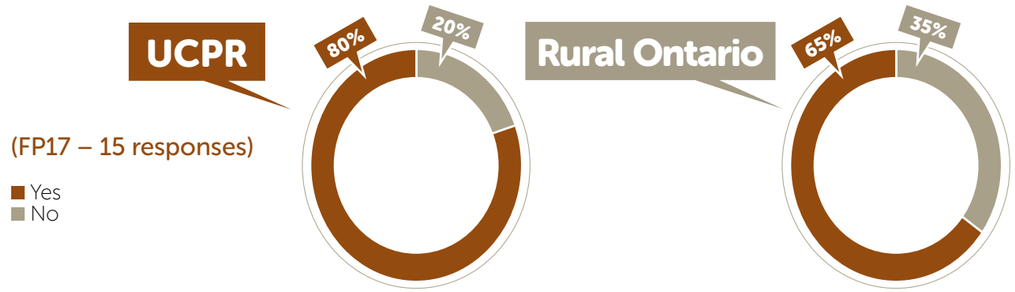


OVERVIEW

31% of business sales in the community arose from the owner's retirement. It should be noted that 73% of business owners who closed their business did not have a succession plan. Furthermore, only 27% of owners would like to receive support in drafting a succession plan. Compared to provincial results, 7% fewer business owners in Prescott and Russell have a business plan, which represents a significant disadvantage for the region, as these businesses become very fragile at the succession stage.

CLOSURE

Do Business Owners Plan on Closing Their Business Entirely?



Main Reasons Prompting Businesses to Shut Down All Operations

- Difficult to obtain funding
- Planned retirement with no succession
- Difficult to recruit qualified workers

OVERVIEW

80% of entrepreneurs who are considering to close their business aim to cease their operations indefinitely given the difficulties in obtaining funding, absence of succession, and challenges with the recruitment of qualified workers. Compared to provincial results, 15% more business owners in this situation are thinking of ceasing their activities indefinitely.

STRENGTHS

- In the next 18 months, 86% of business owners in the UCPR, are not thinking of making any changes (54%) to the size of their activities, or expanding (32%). (FP1)
- In the next 18 months, business owners in the region who would like to expand are expecting to create, in total, 583 jobs and to increase their floor space collectively by 1.2 M sq. ft. (FP12)

WEAKNESSES

- 36% of business owners in the region who are experiencing difficulties with their expansion say that these arise from financial difficulties, unavailability of the ideal location, difficult access to public utility services, delays in the delivery of construction permits, labour shortages, and the lack of administrative support. (FP15)
- Skilled labour shortages, limited access to public utility services and relevant costs, high business costs and absence of succession following retiements are the reasons why 14% of entrepreneurs are looking to reduce their operations, move, sell or close their business.

OPPORTUNITY

- 58% of business owners in Prescott and Russell intend on using federal or provincial programs and services in support of their expansion project, and 85% of them would appreciate receiving additional information in this respect. (FP 13-14)

05 MAJOR FINDINGS and CONCLUSIONS

MAJOR FINDINGS AND CONCLUSIONS

BUSINESS PROFILE

The majority of business owners in Prescott and Russell:

- are locally owned and operated;
- run one property only;
- have 20 employees or less;
- achieve annual sales of $999,999 or less;
- conduct operations primarily at the regional level;
- have been in business for 11 years or more;
- have a significant professional experience;
- own their business properties;
- do not have a business plan.

WORKFORCE PROFILE

The majority of available jobs in Prescott and Russell are permanent. Very few employers have had to shed jobs in the last three years. Most of them did not make any changes to their employee base. This is primarily due to poor availability of qualified workers and the minimum salary increase.

Close to one out of two employers in the region is experiencing recruitment difficulties, especially due to the lack of skill sets and experience of candidates, and the challenges for the community to attract and maintain new employees. In contrast, the majority of employers say that recruitment difficulties are primarily related to their work industry. It would be beneficial for businesses in the region to make better use of existing co-op, internship and apprenticeship training programs.

The vast majority of employers in Prescott and Russell do not have any difficulty maintaining their employees. One out of two businesses does not participate in external training, and very few barriers exist in this respect.

BUSINESS CLIMATE PROFILE

The vast majority of business owners in Prescott and Russell have a good or excellent perception of their respective community as a business centre. Similarly, most factors in relation to the assessment of the business climate were given a good rating, except for business costs (property taxes, cost of land, and cost of electricity). Furthermore, all municipal services were given a good rating as well. In summary, the good business climate in all municipalities represents a strong asset for Prescott and Russell.

The majority of business owners in the region are in stable or growing markets, and expect sales to remain stable or increase in the next 18 months.

The business support network is underutilized, and most resources remain unknown within the business community, in general. According to business owners in the region, services provided by many organizations in support of businesses, as well as their mandates, are unclear and duplicated or delivered through silos, thus significantly reducing their efficiency.

Though business owners in Prescott and Russell make good use of technology, half of them are experiencing difficulties in this respect due to the cost, connection or speed of Internet services.

Business owners in the region cooperate slightly less with their counterparts than those in other parts of the province. However, they are willing to cooperate in regard to networking and the exchange of information. Many entrepreneurs are suggesting a stronger involvement from the chamber of commerce in their community.

According to business owners, the three main advantages in the region are as follows:

- excellent geographic location;
- quality of living; and
- good business climate.

According to business owners, the three main disadvantages in the region are as follows:

- limited access to public utility services in certain villages (in order of importance: Internet, three-phase electricity, natural gas, water and sewer services);
- high business costs; and
- skilled labour shortages.

FUTURE PROJECTS OF BUSINESS OWNERS

In the next 18 months, 86% of business owners would like to expand or are not planning on making any changes to their operations. Businesses that are looking to expand are expecting collective impacts, such as the creation of 583 new jobs, and the expansion of floor space by 1.2 M sq. ft., in total. Evidently, the vast majority of business owners looking to expand are not currently experiencing any difficulties in this regard.

Skilled labour shortages, limited access to public utility services, high business costs and the absence of succession after planned retirements are primarily why 14% of entrepreneurs in the region are looking to reduce their operations, move, sell or close their business. Nonetheless, the community can provide its assistance by helping to overcome these barriers.

06

ACTION PLAN

STRENGTHS

SWOT	Actions		Authorities	Partners	Priority* 1 to 3	Deadline
ACTION 1:			**PROMOTE THE REGION'S MAIN ATTRIBUTES TO ENSURE BUSINESS RETENTION, EXPANSION AND ATTRACTION**			
S1. The three main advantages of the community are its excellent geographic location, quality of living for its residents and positive business climate. **(CD2)**	1. Conduct a comparative analysis of neighbouring counties and regional county municipalities (RCM) to identify the competitive advantages and attributes of Prescott and Russell.		• PREDT		2	• 2020-2021
	2. Plan and implement a marketing campaign that will promote the region's main attributes.		• PREDT and lower-tier municipalities		1	• 2019-2020
	3. Create marketing tools that will highlight the main sectors of the region's economy (e.g. publish and distribute an annual regional magazine, develop targeted flyers and produce audio-visual material).		• PREDT		2	• 2020-2021
	4. Update marketing tools currently used by the PREDT to improve their effectiveness toward key expansion and attraction economic sectors. These sectors include tourism, food processing, small and large-scale manufacturing, and transportation and logistics.		• PREDT		1	• 2019-2020
	5. Take part in targeted events that will strengthen the region's positioning as an ideal place to do business.		• PREDT		3	• 2019-2023
ACTION 2:			**PROMOTE EXISTING BUSINESSES' SUCCESS STORIES**			
S2. In the next 18 months, business owners in the region who would like to expand are expecting to create in total, 583 jobs and to collectively increase their floor space by 1.2 M sq. ft. **(FP12)**	1. Organize for potential investors, the business community and key economic development stakeholders a tour of local businesses and industries to promote their success stories.		• PREDT	• HIIA, PRBA, PRCDC, CRCC, HRCC, PRCC and the lower-tier municipalities	2	• 2020-2021
	2. Produce short videos outlining the success stories of key regional entrepreneurs in an effort to improve business retention, expansion and attraction.		• PREDT	• TPRT (tourism sector), EOAN (agri-food sector) and CAPRAC (arts sector)	1	• 2019-2020

WEAKNESSES

SWOT	Actions		Authorities	Partners	Priority* 1 to 3	Deadline
ACTION 3:			**PROMOTE LOCAL BUYING BEHAVIOUR AT THE REGIONAL LEVEL**			
W1. Most businesses in Prescott and Russell operate primarily at the local and regional level. Compared to provincial results, they conduct fewer operations internationally. **(BI9)**	1. Implement a regional e-commerce platform designed for retailers and agri-food producers.		• PREDT	• EOAN et PRBA	1	• 2019-2020
	2. Organize a regional transit system offering service to the major local shopping hubs.		• PREDT		3	• 2019-2023
	3. Annually carry out a promotional campaign to encourage local purchasing behaviour.		• PREDT	• PRBA	3	• 2019-2023
	4. Provide training and support to regional entrepreneurs on national and international best business practices.		• PREDT	• PREC and PRCDC	2	• 2020-2021
ACTION 4:			**ENCOURAGE AND SUPPORT BUSINESS START-UPS**			
W2. Young entrepreneurs (individuals who have been in business for less than three years) are not as present in Prescott and Russell as in other rural communities in Ontario, accounting for only 13% of all regional entrepreneurs. **(BI6)**	1. Promote entrepreneurship as a career choice among elementary and high school students.		• PREC	• CEPEO, CDSBEO, CSDCEO and UCDSB	3	• 2019-2023
	2. Lead discussion tables in order to better understand the motivations of young people that exodus toward urban centres and develop a retention strategy.		• PREDT	• CEPEO, CDSBEO, CSDCEO and UCDSB	3	• 2019-2023
	3. Provide more financial support to start-ups.		• PREDT	• PRCDC and PREC	1	• 2019-2020
	4. Offer entrepreneurship co-op programs.		• PREC	• La Cité, CEPEO, CDSBEO, CSDCEO and UCDSB	3	• 2019-2023
	5. Provide start-ups with collaborative workplaces.		• PREDT	• Lower-tier municipalities, PREC and PRCDC	1	• 2019-2020

WEAKNESSES (CONT'D)

SWOT	Actions		Authorities	Partners	Priority* 1 to 3	Deadline
ACTION 5:			**IMPROVE THE REGION'S CAPACITY TO ATTRACT AND RETAIN NEW WORKFORCE**			
W3. Approximately 50% of employers in Prescott and Russell consider their respective community's ability to attract and maintain new employees as "fair to poor". **(WF2)**	1. Form an ambassador community to promote the region as a place of choice to live and work.		• PREDT		3	• 2019-2023
	2. Plan a marketing campaign that will highlight the benefits of living in a rural versus urban setting to attract new workers.		• PREDT		1	• 2019-2020
W4. 45% of employers in Prescott and Russell are currently experiencing recruitment difficulties, which are attributable to the insufficient number of available candidates, lack of training and appropriate skill sets, and lack of relevant experience of candidates. **(WF3)**	1. Set up a carpool service focused on transporting workers to their workplace.		• PREDT	• Interested employers	1	• 2019-2020
	2. Showcase success stories of businesses that have overcome hiring challenges to identify possible solutions.		• PREDT	• CSEPR	2	• 2020-2021
	3. Provide regional employers with training to help them offer a more attractive organizational culture and enabling them to attract the younger generations and the highly skilled workforce.		• PREDT	• CSEPR	3	• 2019-2023
	4. Set up a marketing campaign to attract new labour in the region by targeting distinctive groups (e.g. Francophone immigration, post-secondary students seeking employment, etc.).		• PREDT	• Nearby colleges and universities, CSEPR, Employment Ontario and the Central and Southwestern Ontario RIF	1	• 2019-2020

WEAKNESSES (CONT'D)

SWOT	Actions		Authorities	Partners	Priority* 1 to 3	Deadline
ACTION 6:			**RESTRUCTURE AND PROMOTE THE CURRENT BUSINESS SUPPORT NETWORK**			
W5. 13 out of 15 community organizations or services available through the regional business support network are not consulted. **(BC4)**	1. Create and promote a tool that will describe all services offered by the regional business support network.		• PREDT	• PRBA, CRCC, PRCC, HRCC, PREC, EOAN, TPRT, PREA, CSEPR, PRCDC, CFEO and the lower-tier municipalities	3	• 2019-2023
	2. Lead a regional meeting that will bring together all community organizations that are part of the regional business support network and key economic development stakeholders to improve the referral process when an entrepreneur needs assistance.		• PREDT	• PRBA, CRCC, PRCC, HRCC, PREC, EOAN, TPRT, PREA, CSEPR, PRCDC, CFEO and the lower-tier municipalities	3	• 2019-2023
ACTION 7:			**BETTER SUPPORT BUSINESSES WITH SUCCESSION PLANNING AND PROMOTE BUSINESS TAKEOVERS**			
W6. 31% of business sales in the community arose from the owner's retirement. It should be noted that 73% of business owners who closed their business did not have a succession plan. **(FP9)**	1. Consult an expert in the field and collaboratively create a tool that will inform small business owners about the best practices and the benefits of a proper succession plan.		• PREDT	• PREC and PRCDC	2	• 2020-2021
	2. Direct regional business owners toward generic tools that facilitate the writing of a succession plan (e.g. Expert HR).		• PREC		2	• 2020-2021
	3. Direct business owners toward available resources facilitating the implementation of a succession plan.		• PREC	• PREDT, PRCDC and PREA	2	• 2020-2021
	4. Offer training on business takeovers.		• PREC	• PRBA and PRCDC	1	• 2019-2020

SWOT	Actions		Authorities	Partners	Priority* 1 to 3	Deadline
ACTION 8:			**SUPPORT REGIONAL CHAMBERS OF COMMERCE AND BUSINESS GROUPS/ NETWORKS**			
O1. The majority of business owners in Prescott and Russell are willing to cooperate with their counterparts in regard to networking/exchange of information. **(BD7)** **O2.** Business owners say that workshops on e-commerce, social media and Web content, networking, marketing and group advertising would help ensure business development. **(CD5)**	1. Come up with a new model for the PRBA that will allow chambers of commerce and regional business groups/networks to collaborate more efficiently.		• PRBA and PREDT	• CRCC, HRCC, PRCC and VKHBMA	2	• 2020-2021
	2. Identify available funding opportunities to allow the PRBA to hire a full-time employee. The employee would provide support to regional chambers of commerce and regional business groups/networks.		• PRBA and PREDT		2	• 2020-2021
	3. Consolidate the efforts of the chambers of commerce and regional business groups/networks to provide regional business owners with networking opportunities, tailored training and an extensive service offerings.		• PRBA, PREDT, CRCC, HRCC, PRCC, PRCDC, PREC and VKHBMA		2	• 2020-2021
ACTION 9:			**DEVELOP THE TOURISM SECTOR TO SUPPORT AND RETAIN RELATED EXISTING BUSINESSES**			
O3. Among other things, business owners would like to see more regional tourism development within the next five years. **(CD4)**	1. In partnership with the riverside municipalities, develop activities highlighting the Ottawa River.		• PREDT	• Riverside municipalities	2	• 2020-2021
	2. Promote the regional network of recreational trails.		• PREDT	• TPRT, CAPRAC and the lower-tier municipalities	1	• 2019-2020
	3. Develop agri-food tours.		• PREDT	• EOAN, TPRT and CAPRAC	2	• 2020-2021
	4. Support the development of tourism experiences.		• PREDT	• TPRT and CAPRAC	2	• 2020-2021
	5. Support existing tourism hubs and promote the development of related businesses.		• PREDT	• PRCDC, TPRT and CAPRAC	3	• 2019-2023

OPP. (CONT'D)

SWOT	Actions		Authorities	Partners	Priority* 1 to 3	Deadline
ACTION 10:			**CREATE A REGIONAL BUSINESS CLIMATE ENCOURAGING BUSINESSES TO SOURCE THEMSELVES FROM ONE ANOTHER**			
O4. Products and services that local businesses would like to purchase locally, but are currently buying outside of the region (see page 52).	1. Add a function to the Prescott and Russell Business Directory that will allow users to identify what manufacturers produce.		• PREDT	• PRBA	2	• 2020-2021
	2. Make the Prescott and Russell Business Directory available to the public.		• PREDT		3	• 2019-2023
	3. Provide training to business owners on the benefits and advantages of local sourcing.		• PREC	• PREDT	2	• 2020-2021
	4. Organize a commercial fair (B2B) that will showcase local products/ services available locally to encourage local sourcing.		• PREDT	• PRBA, PRCDC and CSEPR	2	• 2020-2021
ACTION 11:			**DIRECT BUSINESSES THAT ARE PLANNING TO EXPAND TOWARD AVAILABLE SUPPORT/INFORMATION**			
O5. 58% of business owners in Prescott and Russell intend on using federal or provincial programs and services in support of their expansion project, and 85% of them would appreciate receiving additional information in this respect. **(FP 13-14)**	1. Evaluate the possibility of offering to the business community a grant officer who would be responsible for maintaining an up-to-date inventory of available grant programs and supporting business owners with the application process.		• PREDT	• PRCDC	2	• 2020-2021
O6. 40% of employers in Prescott and Russell suggested training themes that could be useful to them and their teams (see page 35). **(WF9)**	2. Provide information on external training available within the region to business owners who plan on expanding.		• PREDT	• PRCDC, CSEPR, PREC, CFEO and nearby colleges and universities	2	• 2020-2021

THREATS

SWOT	Actions		Authorities	Partners	Priority* 1 to 3	Deadline
ACTION 12:			**PROMOTE THE IMPORTANCE OF THE BUSINESS PLAN AND RELATED AVAILABLE SUPPORT PROGRAMS**			
T1. Only 52% of entrepreneurs in Prescott and Russell have a business plan. The majority of them update it regularly, at least every three years. **(BI4)**	1. Inform business owners of the benefits of a business plan for long-term growth and to access financing.		• PREC	• PREDT and PRCDC	2	• 2020-2021
	2. Promote and refer business owners toward generic tools that facilitate the writing of a business plan (e.g. Biz Plan).		• PREC	• PREDT and PRCDC	1	• 2019-2020
ACTION 13:			**IMPROVE ACCESS TO PUBLIC UTILITY SERVICES**			
T2. 48% of business owners in Prescott and Russell are experiencing issues with Internet speed (25%), connection (12%) or cost (11%). These problems significantly impede their ability to adequately carry out their operations on a daily basis. **(BD5)**	**Internet:**					
	1. Continue efforts in conjunction with the Eastern Ontario Regional Network (EORN) and the Eastern Ontario Warden's Caucus (EOWC) to improve the availability of high-speed Internet services.		• PREDT	• Internet services providers, EORN and EOWC	1	• 2019-2020
	2. Map Internet services speed gaps to illustrate the problematic areas at the regional level.		• PREDT	• Business community and Internet services providers	2	• 2020-2021
T3. The limited access and high cost of electricity, among other things, explain why 36% of Prescott and Russell business owners are struggling to expand and 14% of regional businesses are thinking of reducing their operation, relocating, selling or closing. **(FP15- FP1)**	**Electricity:**					
	1. Develop a strategy in partnership with power supply distributors to extend three-phase electricity service to businesses that require it.		• PREDT	• Power supply distributors (e.g. Hydro One) and the federal and provincial governments	1	• 2019-2020
	2. Organize meetings with the various government representatives in order to demonstrate the lack of electrical capacity in the region. This will be possible by using the data collected from the Utility Services Mapping and the Ready for Investment Sites projects.					

THREATS (CONT'D)

SWOT	Actions		Authorities	Partners	Priority* 1 to 3	Deadline
ACTION 14:			**IMPROVE THE AVAILABILITY OF QUALIFIED WORKERS**			
T4. 60% of business owners in Prescott and Russell do not properly assess the availability of qualified workers. **(WF2)**	1. Organize a meeting to encourage discussions between business owners who are experiencing challenges hiring skilled workers, post-secondary institutions and regional workforce stakeholders.		• PREDT	• CSEPR, Contak, CFEO and nearby colleges and universities	2	• 2020-2021
	2. Implement initiatives that aim to attract external skilled workers to satisfy the needs of local employers who otherwise cannot fill those positions.		• PREDT	• Central and Southwestern Ontario RIF CSEPR, Employment Ontario, CÉSOC, CEPEO, SÉO, CDSBEO, CSDCEO and Élargir l'espace francophone	2	• 2020-2021

*Priority levels: 1 – Urgent, 2 – Prioritized, 3 – Less prioritized.

LEGEND

CAPRAC: Conseil des arts de Prescott-Russell Arts Council
CDSBEO: Catholic District School Board of Eastern Ontario
CEPEO: Conseil des écoles publiques de l'Est de l'Ontario
CÉSOC: Conseil économique et social d'Ottawa-Carleton
CRCC: Clarence-Rockland Chamber of Commerce
CSDCEO: Conseil scolaire de district catholique de l'Est ontarien
CSEPR: Centre de services à l'emploi de Prescott-Russell (Prescott-Russell Employment Services Centre)
EOAN: Eastern Ontario Agri-Food Network
EORN: Eastern Ontario Regional Network
EOTB: Eastern Ontario Training Board
EOWC: Eastern Ontario Wardens' Caucus
HIIA: Hawkesbury Industrial Investment Association
HRCC: Hawkesbury and Region Chamber of Commerce
PRBA: Prescott and Russell Business Alliance
PRCC: Prescott-Russell Chamber of Commerce
PRCDC: Prescott-Russell Community Development Corporation
PREA: Prescott-Russell Entrepreneurial Academy
PREC: Prescott and Russell Entrepreneurship Centre
RIF: Réseau de l'immigration francophone
SÉO: Société économique de l'Ontario
TPRT: Tourisme Prescott-Russell Tourism
UCDSB: Upper Canada District School Board
VKHBMA: Vankleek Hill Business and Merchant Association

NOTES

Building tomorrow's businesses

www.OPRO.ca

Prescott Russell

ECONOMIC DEVELOPMENT AND TOURISM