



The Town of Gravenhurst

2016 Business Review Survey

Results and Recommendations

Contents

1.0 Introduction 2

2.0 Background/Methodology 2

3.0 Key Findings 2

 3.1 Comparisons to 2015 3

 3.2 Key Findings from 2016..... 3

4.0 Full Results 3

 4.1 Staffing 3

 4.2 Employee Breakdown 4

 4.3 Hiring..... 5

 4.4 The Business Climate 5

 4.5 Historical Business Climate Data..... 5

 4.6 Why has the Business Climate Changed? 6

 4.6.1 Positive Themes 6

 4.6.2 Negative Themes..... 6

 4.7 Biggest Challenges for Business 6

 4.8 Impact of Town Services 6

 4.9 Profitability..... 7

 4.10 Expanding, Changing or Improving 7

 4.11 Primary Markets..... 8

 4.12 How Can the Town Help Businesses? 8

 4.12.1 Suggestions for Improvements 8

 4.12.2 Examples of Addressed Issues 9

5.0 Conclusions & Recommendation..... 9

 5.1 Recommendations 9

Appendix 1 – Business Review Survey 10

List of Figures

Figure 1 - Staff Totals 4

Figure 2 - Employment Breakdown by Category 4

Figure 3 - How do you feel about the business climate?..... 5

Figure 4 – Business Reinvestment 8

Figure 5 - Primary Markets 8

1.0 Introduction

2016 marked the second year of the yearly Business Review Survey. This tool was developed in 2015 in an effort to create a line of open communication between the Town of Gravenhurst and the local businesses. In addition to creating communication, this survey has allowed the Town to keep the Gravenhurst Business Directory up to date. Surveys like the one administered over the past two years are used across the country to help retain and expand businesses in municipalities. This survey gives the Economic Development Division the ability to combine relevant data, business outreach and visitation, community input and business retention and expansion activities into a single streamlined process. The 2016 survey took place from November 16, 2016 to January 12, 2017.

2.0 Background/Methodology

The survey was developed in 2015, using input from a variety of sources. The questions are crafted in such a way that allow the economic development team to identify businesses that are either struggling and may be at risk of closure or are doing well and prime to expand or invest in the area. The questions were developed in consultation with other industry standard surveys such as the reporting requirements for the Downtown Revitalization Project, a formal Business Retention and Expansion (BR+E) study from the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and the Employer One survey. The annual Business Review Survey was developed to collect a balance of qualitative and quantitative data, as this hybrid encouraged conversations between the Economic Development Division and local businesses. Last year's survey was built with only 14 questions, in order to keep it short. To collect some additional data a new question was included in this year's survey. This question was intended to find out the economic impact of the Gravenhurst Opera House, the economic development division and the gravenhurst.ca website on individual businesses. This expanded 15 question survey was still able to be administered within a 5 minute timeline, making it efficient for both staff and the businesses that participated. Surveys were collected in a variety of ways. The survey was marketed online both through social media and the website where businesses were directed to an online link. Approximately 75 of the respondents chose to use this method. The Town's marketing and communications team distributed a news release announcing the release of the survey that was picked up by multiple news sources and included in the local paper. The last way that businesses had the opportunity to take the survey was through direct calls made by economic development staff.

The 2015 survey resulted in 205 completed responses; the 2016 survey saw a slight increase with 209 surveys being completed. Of these 209 responses 128 of them were from businesses that did not participate last year. 371 specific requests were sent to businesses regarding the survey were made this year, resulting in a higher percentage of completion. Businesses were asked how many employees they had and if they would be hiring, their opinion on the business climate in Gravenhurst, what their biggest challenge was, how they reinvested in their business this year and what the primary market for their business was. Businesses were also given the opportunity to offer further comment or ask for assistance from members of the Town staff.

3.0 Key Findings

This survey has a number of key findings that will be beneficial for the municipality to look at. These findings can be used for investment attraction, grant applications and general marketing.

3.1 Comparisons to 2015

While many of the responses were similar to 2015 there were some key changes that should be noted:

- This year, instead of seasonality, businesses ability to find employees was the greatest challenge
- The number of businesses satisfied with the local economy increased from 56% in 2015 to 74% in 2016, businesses are becoming more positive about the Gravenhurst business climate
- The number of dissatisfied businesses has fallen from 12% to only 5%
- In 2015, 9.8% of businesses reported a decrease in profit over the following year while only 8.6% of respondents saw this same decrease
- In 2016 there was a greater number of businesses that expanded or changed their product line than in 2015
- 84% of local business is focused on the local/regional market in 2016, a decrease of 6% from the previous year, resulting with a higher number of businesses looking at national and international markets
- From businesses that responded to both 2015 and 2016 there was an increase in staff:
 - 53 new full-time permanent jobs
 - 11 new part-time permanent jobs
 - 31 new full-time seasonal jobs
 - 16 new part-time seasonal jobs

3.2 Key Findings from 2016

Some of the key findings are available below; the full results are available in Section 4:

- 128 of the businesses responding in 2016 (61%) did not respond in 2015
- 81.3% of businesses have fewer than 10 employees
- 51.3% of jobs at businesses surveyed are permanent full time positions
- 74% of businesses are satisfied or very satisfied with the business climate in Gravenhurst
- 14% of Gravenhurst businesses focus on the national market while 2% of them focus on international markets

4.0 Full Results

The 2016 survey was well received, 209 businesses or 39% of all Gravenhurst businesses responded to the business review in 2016. 371 businesses were contacted by telephone and through email for a survey, with five actively refused to answer, and an additional 157 did not return requests. The information below is an amalgamation of data from 2015 and 2016. If a business responded to both years, the data collected in 2016 was the data that was used. 337 different businesses have responded and talked with the economic development team in the last 14 months in order to fill out this survey. This accounts for over 60% of all businesses located in Gravenhurst.

4.1 Staffing

The annual business survey asked three questions in regards to staffing. Businesses were asked to enter the number of permanent and seasonal staff they employed. If the business owners worked in the organizations they were asked to include themselves and their employment status as part of the count. The chart below shows the breakdown of total staff including both full time and part time seasonal and permanent staff:

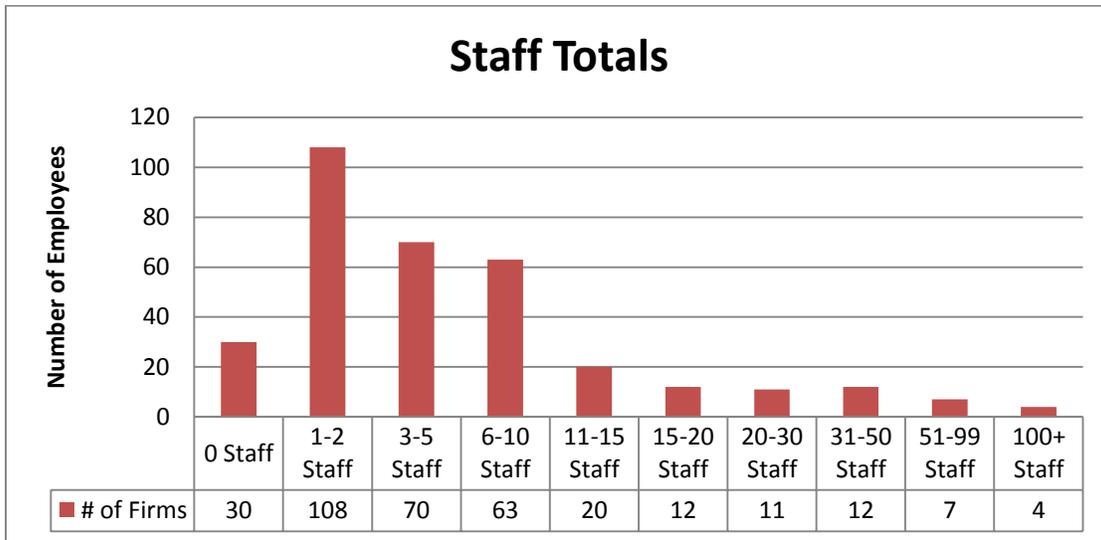


Figure 1 - Staff Totals

30 businesses and organizations had no employees. These businesses were either volunteer run organizations or unmanned kiosks. The largest group is businesses that have 1 or 2 staff, and these businesses tend to be owner-operated businesses. The majority of businesses surveyed, approximately 80%, have below ten staff members. Industry Canada defines a small business as firms with fewer than 100 employees. Currently 98% of businesses in Canada are considered small businesses and Gravenhurst is no exception as 98.8% of businesses surveyed having reported having 100 employees.

4.2 Employee Breakdown

The 337 businesses that were surveyed represent 3,292 employees. These employees can be broken down into two categories:

- Permanent employees who are kept employed regardless of the seasonal lulls that a company may endure
- Seasonal staff employees, who are brought in on a temporary basis to assist during peak times

Businesses were asked to define each of these groups by full-time and part-time.

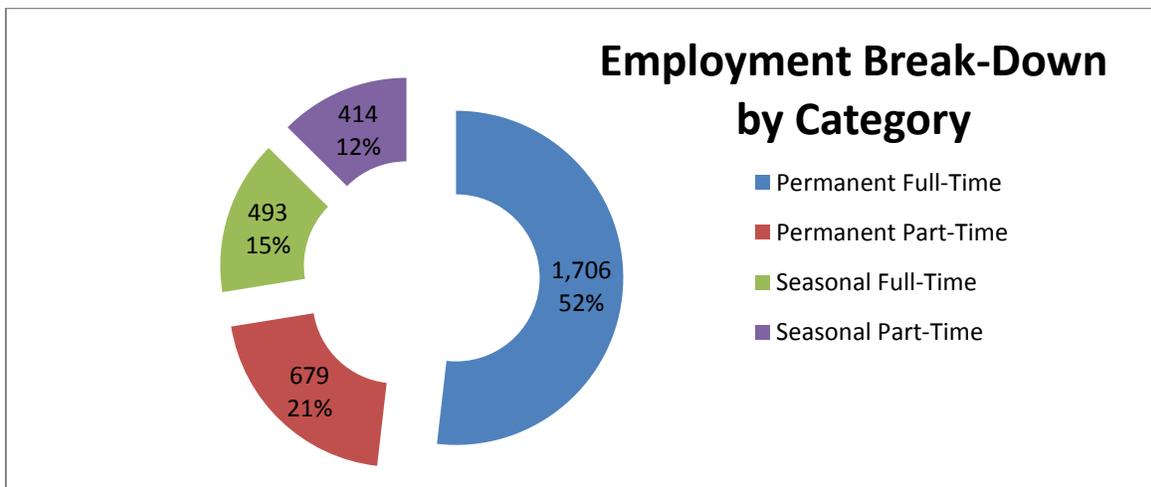


Figure 2 - Employment Breakdown

4.3 Hiring

Of the 209 businesses surveyed in 2016, 25% (54 businesses) are looking to hire in the next three months. These anticipated hires will bring approximately 96 new jobs to Gravenhurst, and will be a mix of all of the categories in the previous question. Businesses that were hiring in 2015 and took the survey in 2016 accounted for a growth of a full-time equivalent (FTE) of 81 new jobs.

4.4 The Business Climate

The first qualitative question in this survey was designed to better understand how businesses felt about being located in Gravenhurst. In an attempt to find trends, respondents were then asked if they thought the business climate had become more positive or more negative in Gravenhurst and explain why. 66% of respondents were either satisfied or very satisfied with the business climate in Gravenhurst, with another 26% of respondents being neutral. Only 8% of respondents were dissatisfied or very dissatisfied with the business climate in Gravenhurst. We continue to see an upward trend from our businesses in terms of satisfaction with being located in Gravenhurst, with a 10% increase in satisfied businesses in 2016.

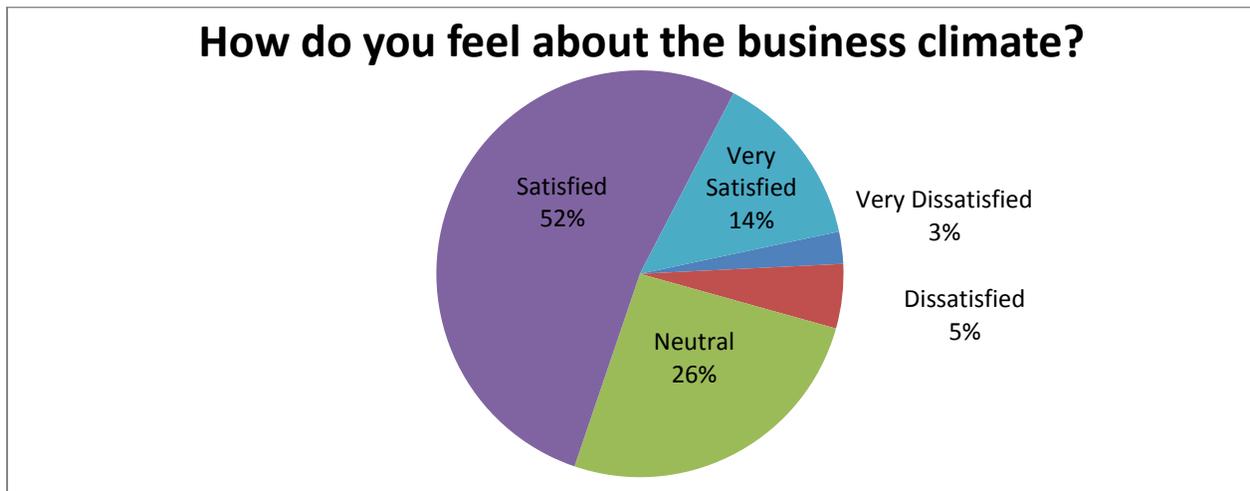


Figure 3 - How do you feel about the business climate?

4.5 Historical Business Climate Data

The majority of businesses feel Gravenhurst's business climate has either become more positive or remain the same. It is important to note that of the 185 business who have seen no change in the business climate, report being satisfied or very satisfied, while only remain 57 neutral. Most of the businesses that have reported that the business climate has become more negative already consider themselves dissatisfied or very dissatisfied with the climate. Of the 78 businesses that took the survey in both 2015 and 2016 there were 35 that saw a positive increase to become more satisfied with the business climate, while 10 firms became less satisfied. The remaining 33 businesses maintained their opinion on the business climate from 2015 to 2016.

	Total
More Positive	121
No Change	185
More Negative	30

4.6 Why has the Business Climate Changed?

Respondents were given the opportunity to comment on the change in the business climate. 43.5% (91) of businesses responded to this question. While each response is unique, 9 themes emerged from the comments:

4.6.1 Positive Themes

- Business owners see a better level of collaboration happening between services in Gravenhurst
- A number of new businesses are opening and there are more businesses lasting longer
- Business owners are becoming more optimistic
- The Town has become positively involved in change and making things happen
- Business owners seem to be more cooperative and making better connections amongst themselves

4.6.2 Negative Themes

- Too much focus on development of the wharf, and not enough on other areas of town
- There is a sense of being unwelcomed, and it is a “who you know” place
- Residents are not shopping locally
- There is a lack of diverse stores in Gravenhurst
- Unlicensed businesses are not being addressed properly

4.7 Biggest Challenges for Business

Business owners were asked to state the biggest challenge that they face. Some responses talked about external issues such as seasonality, while others discussed internal issues such as time management. There was a broad range of challenges and issues included in these unique responses. The list below lists the most frequent responses, with the most popular located at the top:

1. Finding reliable and/or skilled labour, many businesses feel as though residents do not want to work
2. Seasonality of Gravenhurst and making enough money to survive all year round
3. Advertising and marketing is a challenge, i.e. expensive, too many outlets, inefficient, unsure where to start
4. People do not shop locally
5. Struggle with Town policies and procedures, specifically: snow plowing, inefficient/unclear building and planning issues, and tender and procurement processes
6. Highway 11 expansion plans and construction are making business difficult
7. Finding affordable and usable commercial or industrial space in Gravenhurst
8. Unlicensed workers or businesses taking away from legitimate business

4.8 Impact of Town Services

The 2015 survey identified a broad range of opinions regarding the public services offered by the municipality. The 2016 survey included a new question that looked at the economic impact of certain services on the businesses that responded. Collaboration amongst a number of departments determined the list that would be used. Businesses were asked to rate between one (low) and five (high) the economic impact that the Opera House would have on their business, and they were also given the option to not comment if they were unsure. The rating of the three services varied, with economic development being rated the highest with an average of 3.4. The Opera House had an average rating of 2.4, and the website had an average rating of 2.5. Not all of the businesses surveyed responded to each service; the impact of the Opera House had 136 responses, the impact of

economic development had 139 responses and the impact of the website had 115 responses. The chart below breaks down the votes that each service received by the impact.

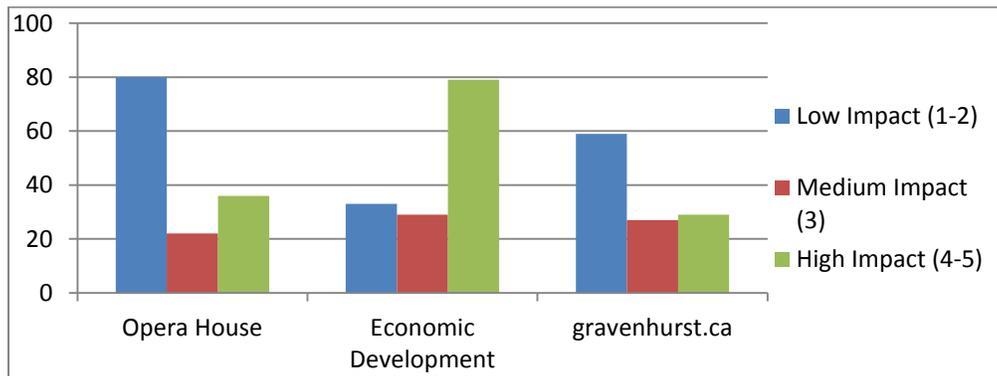


Figure 4 – Impact of Town Services on Businesses

4.9 Profitability

Many surveys ask business to give a range of their sales for the year. Instead of asking for a specific range it was only asked if there was an increase or decrease in profit over the previous year, as these types of questions tend to otherwise be skipped. Over the past two years, 58.2% of businesses have seen an increase in profits while only 9.5% have seen a decrease. A large percentage of businesses (26.4%) did not respond to this question while the additional 5.9% did not see an upward or downward trend of their profits.

4.10 Expanding, Changing or Improving

Businesses often reinvest into their businesses. When a business invests money into their business they are often growing, if a business consistently does this year over year they can be identified as a potential expansion. The annual business survey tracks four different aspects of business reinvestment:

- Expansion of floor space
- Expansion of product lines
- Building improvements
- Equipment purchases

27.9% (94) of businesses reported changing or expanding their product lines in 2015/2016. 9.5% (32) of respondents expanded their floor space, which occurs when businesses move to a larger location or build additions on their current workspace. 37.1% (125) of businesses purchased new equipment for their business this year while 33.2% (112) made improvements to their building. The spending from businesses helped make 2016 have one of the highest construction values in Gravenhurst's history. Investment in equipment and building improvements creates more resilient businesses and shows confidence in the economy of the town. It is assumed that approximately 50% of this investment was spent locally, with the rest becoming victim to retail leakage. Figure 4 outlines how businesses reinvested.

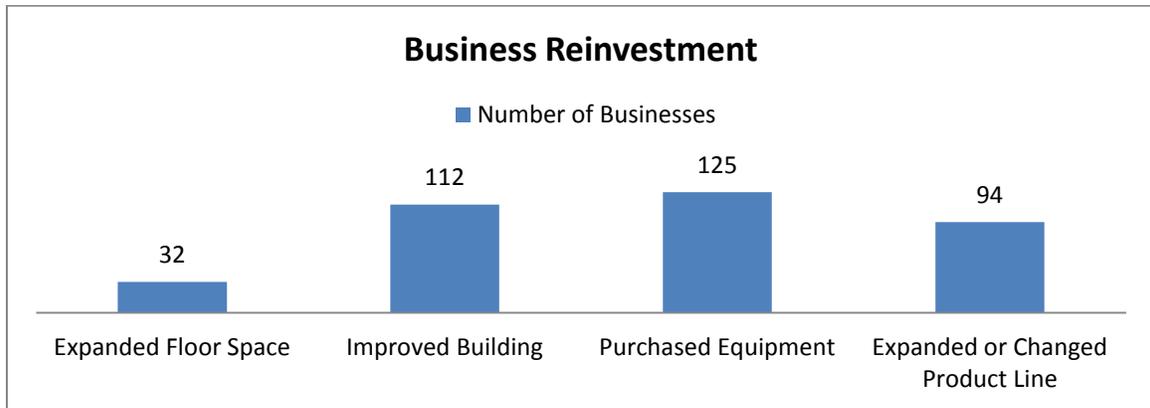


Figure 5 - Number of Business's Expanding, Improving or Changing

4.11 Primary Markets

Business owners were asked to identify the primary market their business serves. The choices were: local/regional, national or international. It is important to note that their primary market does not mean that other markets are not served. Figure 5 is a breakdown of the primary markets that Gravenhurst businesses serve:

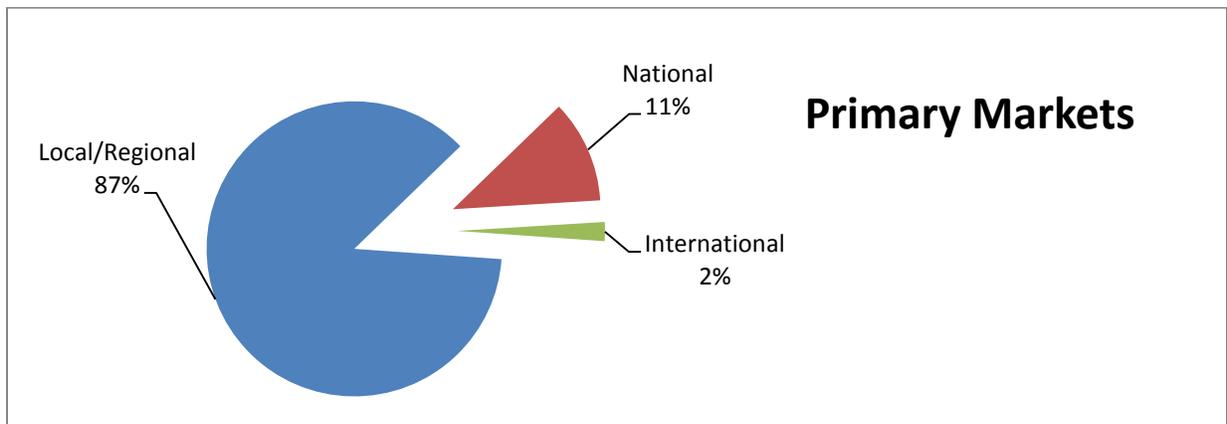


Figure 6 - Primary Markets

4.12 How Can the Town Help Businesses?

The final question of the annual business survey was specifically left open ended, allowing business to request specific help or offer additional comment. 107 responses to this question were recorded. Some of the items were addressed and solved easily during the survey period; others were suggestions for improvements that require further consideration. Below are lists of popular suggested improvements and requests that were completed during the survey:

4.12.1 Suggestions for Improvements

- Improved Signage, current signage is out of date or too small
- A more transparent procurement process so businesses don't feel as though the Town chooses businesses from outside of Gravenhurst
- Provide or facilitate marketing workshops to help businesses create an online presence
- Work with the high school to ensure that it is retained in town
- Continue the work with the Community Improvement Plan and increase awareness
- Bring fast reliable high speed internet to the entire urban area

4.12.2 Examples of Addressed Issues

- Help applying for CIP grants in the coming year
- Help businesses expand by including their product in different markets (national, other stores etc.)
- Directed businesses to appropriate people to help with marketing, registration and other issues
- Relaying complaints of snow removal and other infrastructure related issues to the Infrastructure Department

5.0 Conclusions & Recommendation

These surveys allowed us to not only learn more about the local businesses, but to create relationships between the Town and area businesses. Despite the survey being in its second year, businesses still commented that they were impressed that the Town was reaching out to them and many of them had not had the opportunity to talk to the Town before. Using two years' of data has helped us get a broader understanding of what the business community in this town needs and how we can better work to attract new businesses. Understanding how the business climate is changing, as well as the challenges that local businesses face makes it easier to develop strategies and programs to help in the most efficient manner possible. This data also helps to reinforce strategic documents and directions that the Town is currently undertaking. Much of the information that has been collected in this process can be used to reinforce the Town of Gravenhurst Strategic Plan. The recommendations below align with specific strategic actions from this plan. Based on the findings of the 2016 business survey we are recommending the following actions:

5.1 Recommendations

1. Develop a strategy to help our local businesses find and retain talent. Work with other organizations who are involved in this space to develop a unified approach. **(Objective 1A – We will increase employment opportunities)**
2. Continue the annual business survey as a way to enhance business engagement and relationships, and to identify common challenges and opportunities the business community is facing. This continues to allow the division to prioritize its efforts to assist local businesses. **(Objective 1A – Continuing to develop and implement a Business Retention & Attraction Strategy)**
3. Collaborate with other community organizations to market Gravenhurst to attract new business investment and additional full-time permanent residents, and to ensure a welcoming business environment. **(Objective 1B – Explore opportunities to increase the Town's profile and visibility so that Gravenhurst is known as the Muskoka Destination)**
4. Continue to encourage new investment and re-investment in commercial business areas of town. **(Objective 1A – Lobbying for the expedited redevelopment and optimal use of key Gravenhurst properties & continuing to support the continued revitalization of our downtown)**
5. The Town should continue to operate cohesively between departments to ensure that interactions with businesses are consistent and the Town maintains its commitment to exceptional municipal service delivery. **(Objective 5A – Exception Municipal Customer Service)**

Appendix 1 – Business Review Survey

1/2/2021 10

2020 BUSINESS REVIEW SURVEY

Introduction

Dear Gravenhurst Business Owner,

As part of the Town of Gravenhurst's economic development mandate we would like to monitor the changes taking place within the Gravenhurst business community by remaining in better contact with you. One of our objectives is to create an environment where Gravenhurst businesses can grow and flourish.

We have created a brief survey for you to participate in. This survey is designed to take a few minutes to complete. If you experience any issues with this survey or would prefer to take it in person at your location or by phone please call:

Jeff Loney
Business Development Coordinator
Town of Gravenhurst
(705) 687-3412 Ext. 280

All data collected by the survey is private and covered under the Freedom of Information and Protection of Privacy Act of Ontario.

1. Please enter the Name of your Business*

2. How many **PERMANENT** employees do you have?*

Full Time

Part Time

3. How many people are employed **seasonally** with your company?

Full-Time

Part-Time

4. Will you be hiring additional staff in the next 3 months?*

5. How do you feel about the business climate in Gravenhurst?*

- Very Satisfied
- Satisfied
- Neutral
- Dissatisfied
- Very Dissatisfied

6. In the past 3 years has your opinion about doing business in our community changed?

- Yes, more positive
- Yes, More negative
- No Change

7. If your opinion has changed, in a few words let us know why:

8. What do you see as the biggest challenge to doing business in Gravenhurst?

9. The 2015 survey showed the business community had a broad range of opinions of public services offered by the town. Please rate between 1 and 5 (1 being no impact, 5 being crucial) the economic impact of the following town services on your business. Please use N/A if you have no opinion.

	1	2	3	4	5	N/A
Gravenhurst.ca	<input type="radio"/>					
Gravenhurst Economic Development	<input type="radio"/>					
Gravenhurst Opera House	<input type="radio"/>					

10. Did you see an increase or decrease in net profit this year over the previous year?*

- Increase
- Decrease
- N/A

11. Did you expand or change your product line this year?*

- Yes
- No

12. Did you expand your floor space this year?*

- Yes
- No

13. Did you purchase new equipment or make physical improvements to your place of business this year?

- Yes, Equipment
- Yes, Improvements
- Yes, Both
- Neither

14. What is the primary market for your business?

- Local/Regional
- National
- International

15. Are there opportunities, challenges or concerns you may have that the Town's Economic Development & Communications Department may be able to help you with? Please let us know by filling out the box below: