



INFORMATION REPORT

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: April 4, 2012	
SUBJECT/REPORT NO: Update on Business Retention and Expansion Program – Hamilton Calling (PED12055) (City Wide)	
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SIGNATURE:	

Council Direction:

Not Applicable

Information:

In today’s economy, where growth is limited and corporate mergers and acquisitions dominate the Canadian landscape, retaining and growing local companies still remains the City’s top priority from an economic development perspective. When a decision about a local company’s future is being made offshore, the municipality must do everything possible to guarantee that the business remains, continues to pay taxes and provides jobs for local residents.

Most communities in North America have a Business Retention and Expansion Program (BR&E), but what differs is the complexity of the Program and how effectively it is delivered. Some municipalities use sophisticated data collecting systems for their local business base, others concentrate on building long term relationships with existing companies, and still other cities employ a combination of both. Regardless, the best BR&E programs all recognize the same need – “that business expects and deserves value with each interaction”.

As part of the 2008 Economic Development Department budget enhancement, City Council provided additional staff resources and directed that a program targeting the retention and expansion of local industry be developed. Based on this direction, Business Development staff studied best practices available and implemented the City's first formalized Business Retention and Expansion Program - Hamilton Calling - which is a hybrid approach of relationship building and data collection

Since the inception of the Hamilton Calling Program in late 2008, Business Development staff has conducted 878 surveys with local industry. In addition, staff has also conducted 247 follow-up interviews for a total of 1125 companies surveyed in just over 3 years.

About the Program

Hamilton Calling is a sophisticated business retention and expansion program which involves regular scheduled visits with local employers. Although this is time consuming for the Business Development Section, the BR&E Program is based on relationship development over a longer period of time that involves a deeper understanding of the individual businesses, as well as the industry as a whole.

Background information is gathered prior to a scheduled interview with senior company executives. Prior to the commencement of an interview, both the company and staff member conducting the survey, sign a confidentiality agreement stating that the information provided to City staff remains confidential and cannot be released unless it is aggregated with other company surveys.

Interview questions are structured to gather as much information/data as possible on the individual company. Further information sought after includes trends occurring in that particular industry sector and recognizing or identifying marketing strategies that can be implemented in the future

Staff has utilized Synchronist Software as the back end database to collect and analyze the data gathered from the surveys.

The Hamilton Calling Program has enabled business development staff to develop a unique database on local companies allowing the organization to group companies and compare them amongst other company's, maintain a comprehensive file on each participating company and create an action plan for each company.

It has enabled staff to get in front of senior executives to:

- Gain insight into the dynamics of Hamilton's economy;
- Evaluate the company's relationship with the community;
- Evaluate growth potential, risk of relocation or downsizing, satisfaction, and employment trends;

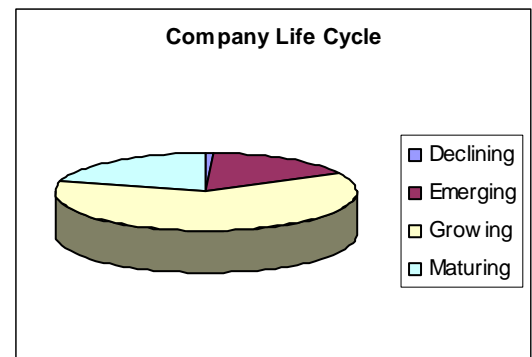
- Identify how public services can be improved;
- Understand the positive and negative attributes of Hamilton as a place to do business; and,
- Develop value added services for Hamilton companies.

Sample of 2011 Program Results

In 2011, Business Development staff conducted 314 surveys with local industry that has provided incredible insight into the dynamics of the local economy by identifying companies with the best growth potential and by predicting companies at risk. The following statistics are an aggregated compilation from the surveys conducted in 2011 that is intended to provide an idea of the type of information that is collected during the survey. This data provides the City of Hamilton a unique snapshot of the health of its economy, as well as identifying potential areas of opportunity and concern.

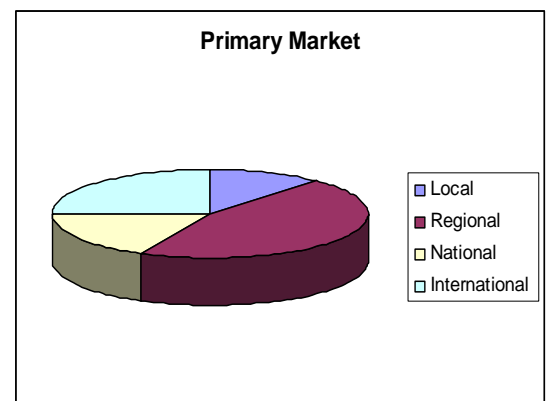
Company Life Cycle

Declining	0.7%
Emerging	16.5%
Growing	61.9%
Maturing	20.9%



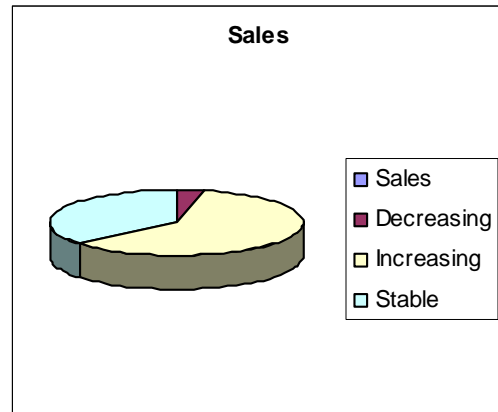
Primary Market

Local	11.8%
Regional	45.6%
National	17.8%
International	24.9%



Sales

Decreasing	3.7%
Increasing	60.2%
Stable	36.0%



Utilizing the Survey Information

The following examples demonstrate how the data collected in the surveys can be utilized by the City’s Business Development team.

1) Employment Requirements

Based on the surveys completed in 2011, 46.6% of the companies surveyed indicated they would require more employees in the near future. Business Development staff would work with these companies and point them in the direction of organizations that might be able to assist in the recruitment of new staff. Depending on the needs of the companies, direct referrals could be to post secondary training institutions and the City’s own Ontario Works Program for potential candidates.

Another example of how this information can be utilized is skilled employees who knew they would be losing their jobs as a result of a plant closing were referred to another local business that was growing rapidly and desperate to recruit new skilled workers – this resulted in 20 new hires for the job seeking company.

2) Future Expansion Opportunities

Based on the surveys completed in 2011, almost 60% of the companies surveyed indicated that they intend on expanding their operations within the next three years.

Business Development staff takes note of these companies and tailor their workplans to ensure that they work with them to ensure that Hamilton is considered in their future expansion plans.

In 2011, through relationships established in the first three years of the Hamilton Calling Program, Business Development staff assisted three significant manufacturers with the expansion of their operations within the City of Hamilton.

Without the outreach of this Program, Business Development staff would not have known about the expansion plans of these companies and they may have decided to locate outside our municipal borders.

3) Supply-Chain Development and Opportunities

The Hamilton Calling has also helped to establish Hamilton's Clean Technology Supply-Chain. Through conversations with local employers, staff has identified the local resources from Raw Material Suppliers, Research & Development, Training, Manufacturers, Transportation & Logistics etc. Not only does this create business to business opportunities within the City but the information is also very useful for the attraction of new investment to the community.

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Future of the Hamilton Calling Program

As Hamilton Calling moves forward in 2012 there have been several significant changes made to the Program.

Perhaps the most significant is the move away from the original Synchronist software program. While this software certainly served its purpose in helping the Business Development Section establish the Hamilton Calling Program, there are several areas where the software fell short. The program's inability to custom tailor interview questions was the main reason for the departure from the program. Staff has developed a very cost effective in-house replacement program that is currently in use that will provide greater customization ability and flexibility.

Another change to Hamilton Calling involves the introduction of the Program into the Urban Renewal Section of the Economic Development Division. In addition to the information being gathered in the traditional business sectors within the community, a new customized survey has been developed and will be delivered to the Downtowns and BIAs within the City of Hamilton.

Finally, through advances in technology, it may be possible to take this paper based survey and utilize tablet technology for the interview process, which would save a large amount of both time and administrative process.

Conclusion

The Hamilton Calling Program continues to be extremely well received by the business community and all of the companies have been very pleased that the City is taking a pro-active approach to learn about them and discuss their concerns and issues.

It has proven to be the right Program for Hamilton BR&E initiatives for the following reasons

- Sophisticated and disciplined level of business retention and expansion;
- Place dedicated staff in contact with senior executives;
- Proven Analytical Tool – reporting, strong basis for developing policy and actions;
- Promotes and supports local industry – builds credibility and strengthens the relationships between industry, City Hall and community partners;
- Promotes and supports sector development - helps identify the supply-chain and therefore assists with investment attraction; and,
- Assists in saves jobs, creates jobs and helps to increase the community assessment.

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