

Utilizing the Business Retention and Expansion Program for Economic Development Planning



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Introduction

The planning and development of viable, sustainable communities integrates environmental, land use, resource management, transportation, infrastructure, social and economic considerations. Each of these areas must be taken into account as we plan and develop our living and working environments. From personal experience in working on the Business Retention and Expansion (BR+E) Program since 1997 I have come to realize how valuable BR+E can be as a tool in strategic economic development planning and in assisting existing businesses.

Job creation and economic development are key components of a viable community and important aspects of a community's strategic plan. Every municipality/community, no matter its size, is interested in supporting initiatives to improve the local economy.

Planners, CAOs, economic development committees and economic development officers are often charged with the responsibility of developing and implementing economic development strategies and responding to local business needs. Knowing where to start and what to do is the first question to be addressed. The challenge faced by many communities, particularly rural communities, is the lack of staff, resources and economic development tools to help them in their economic development efforts.

Economic development in practice focuses on activities such as business attraction and recruitment, community promotion, workforce development, infrastructure development, entrepreneurial counselling and business development and business retention and expansion. Incorporating a structured business retention and expansion program into a community's overall economic development strategy can produce immediate results of benefit to local businesses and provide valuable input in the development of a results oriented long-term economic

development strategy.

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Why Implement a Business Retention and Expansion Program?

Economic development practitioners and studies indicate that a much greater economic impact can be achieved if local communities focus on and take care of existing businesses. The reasons for this approach include the following:

- 40%-90% of new jobs created come from existing businesses
- less costly to retain an existing job than to attract a new business / jobs
- a means of establishing economic development priorities
- an opportunity for improved communication with the business community
- immediate response to business issues and concerns
- import replacement through existing businesses reduces economic leakage and increases local direct employment
- a key resource for developing strategic priorities for downtown revitalization, community and economic development projects

Building relationships with the business community through a structured and systematic approach can lead to quick economic development wins as well as more effective economic development and planning strategies. ***Taking care of existing businesses makes common sense.***

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The BR+E Model in Practice

The Ontario Business Retention and Expansion model was adapted from work initiated by colleagues in the United States. The community-based approach to business retention and expansion has been used successfully in 25 + States for the past 25 years. Business Retention and Expansion International (BREI) provides certified training to consultants wishing to assist communities in the implementation of BR&E projects.

The Business Retention and Expansion model is a structured and focused approach to connecting with the business community to identify and address where possible, their needs, concerns and business opportunities. It is an effective means of gathering business input for the purposes of creating and implementing a community strategic economic development plan.

Several key players are involved in the implementation of a BR+E project. A local Leadership Team provides oversight for the implementation of the project while community volunteers are trained to interview local businesses. A local Task force composed of municipal officials and representatives from community and economic development organizations, utilities, education, labour etc. review the survey results and work towards the development of a strategic economic development action plan. Local business service providers, representing the federal and provincial governments, utilities, and business development organizations act as a resource to the local implementation team.

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BR+E Project Implementation

Stage 1. BR+E Project Planning, Training of Volunteers & Business Visits

Stage 2. Immediate Follow-up

Stage 3. Data Analysis & Action Plan Recommendations

Stage 4. Public Meeting, Action Plan Implementation and Monitoring

The process is systematic, culminating in a business driven strategic economic development plan and the prompt

follow-up to business needs. The approach has proven to be effective in retaining and growing existing businesses as well as aiding in the development of strategic action plans. Discussions with U.S. colleagues who have facilitated BR&E projects and my own work with the Ontario BR+E pilot communities, verifies the value of business retention and expansion as an economic development tool.

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Ontario Business Retention and Expansion (BR+E) Program

The Economic Development Branch of the Ontario Ministry of Agriculture, Food and Rural Affairs provided leadership in the piloting and development of an **Ontario BR+E Program**. This action was taken in response to the need for a cost effective and easy to use economic development tool to aid communities in their economic development efforts. A private - public sector partnership provided expertise and funding support in the development of the **BR+E Program and Tool Kit**.

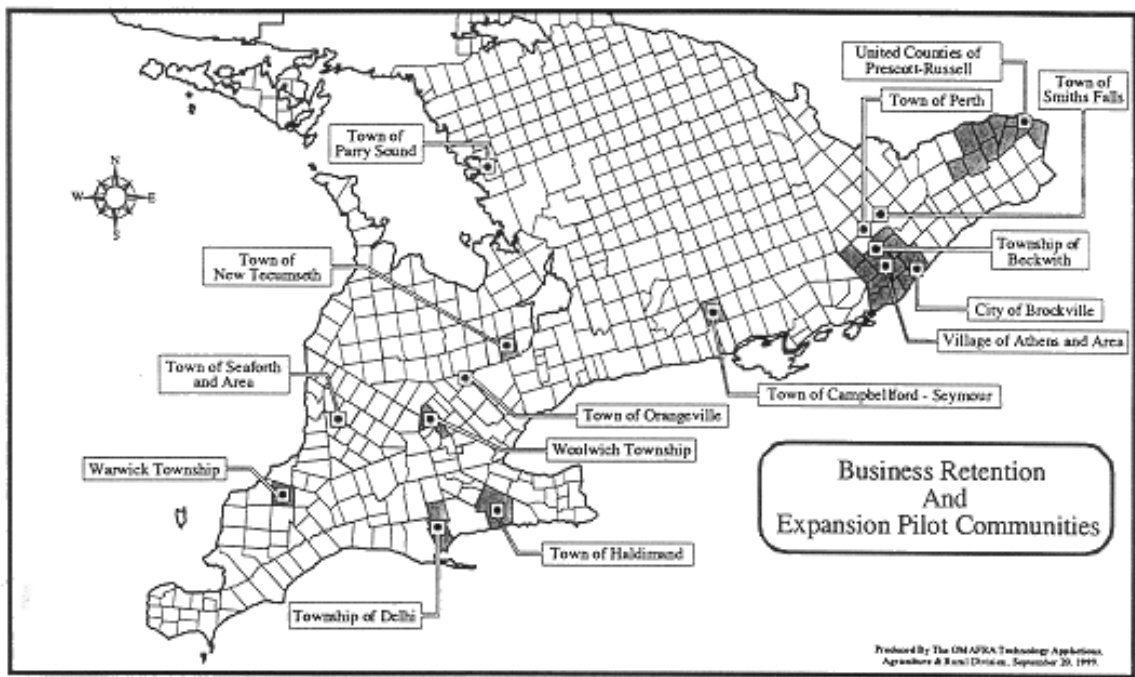
BR+E Private-Public Sector Partnership

Bell Canada, Ontario Power Generation, Enbridge Consumers Gas, Microsoft Canada
Economic Developers Council of Ontario, and Ontario Association of Community Futures Development Corporations
Industry Canada FedNor, Human Resources Development Canada, Canadian Rural Partnership
Ministries of Environment; Training Colleges and Universities; Northern Development and Mines; Agriculture, Food and Rural Affairs

BR+E Pilot Projects

The BR+E Partnership decided to pilot the BR+E program in ten rural communities. These projects commenced in 1998 with actions and strategic plans being implemented during the past 2 years. All of the project representatives have been extremely pleased with the process and more importantly the results. Business retention and expansion will become an integral part of their economic development strategies.

Figure 1. BR+E Pilot Communities



Follow-up with community representatives involved in the projects revealed a range of results as well as key factors, which contributed to the success of projects. The project results are impressive while the factors leading to successful projects are insightful for future projects. Communities contemplating the implementation of a BR+E project should consider these factors.



Examples of BR+E Pilot Project Results (1998 - 2000)	Factors Leading to Successful BR+E Projects
<ul style="list-style-type: none">• 9 businesses and approximately 550 jobs retained• 3 expansions facilitated - 110 new jobs created and increased tax assessment• New export contracts secured - \$1 million +• Import replacement opportunities implemented• Improved communication with the business community• Pro-business attitude established in the community• Improvements in municipal approval procedures• Downtown revitalization projects implemented• Increased community capacity for economic development• Strategic economic development plans developed• Municipalities in 3 instances have decided to establish an economic development budget and hire an Economic / Industrial Development Officer	<ul style="list-style-type: none">• Community and organizational readiness for economic development• Local champions to support the implementation of economic development initiatives• Immediate follow up to identified urgent issues• Maintaining community momentum for project completion• Commitment to economic development• Strong community and business leadership• Ability to analyze the survey data and develop recommendations• Ability to undertake community projects in a cooperative manner• Dedicated volunteer base• Business resource network• Project coordinator dedicated to the project• Budget for the project• An ability to coordinate and facilitate the entire process

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The BR+E Tool Kit

Discussions with pilot BR+E community representatives indicated that a comprehensive BR+E Tool Kit would benefit their implementation objectives. In response to this input, various resources were prepared. This resource is available to communities and Certified BREI Consultants in both French and English.

The BR+E Tool Kit contains:

- Resource Manual
- Business Survey
- Customized database for survey analysis
- Working with People
- Evaluation Guidelines
- Reporting Template
- Promotion and training materials and video
- CD-ROM

BREI Certified Consultants are available to work with communities and assist in the implementation of a BR+E project. Additional information regarding the BR+E Program, Tool Kit resource and prices and BREI Certified Consultants can be obtained [here](#) , or by contacting the BR+E Program Consultant at 1-888-588-4111, BRANDE@mah.gov.on.ca.

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Response to the BR+E Program and Tool Kit

In 1999 Business Retention and Expansion International (BREI) recognized the Ontario BR+E Partnership for its role in developing an innovative and comprehensive BR+E Tool Kit for use by communities. BREI has also recognized four Ontario communities for their BR+E project achievements. Since the completion of the BR+E Tool Kit in March 2001, 10 Community and 21 Consultant Tool Kits have been purchased. The recent BREI Annual Conference held in Ottawa, Ontario in May 2001 has lead to an increased interest in business retention and expansion as a key economic development strategy and in the BR+E Tool Kit by Ontario and Canadian communities and economic development professionals.

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Conclusion

Existing businesses are an important part of a community. Communities who neglect this resource do so at their own peril. Greater attention must be given to supporting and fostering the growth of these businesses.

The strength of any community is its relationships, whether personal, business or organizational. BR+E is an economic development strategy that can be instrumental in strengthening relationships between the business sector and the community and at the same time aid in the development of a prosperous economy. Planners, municipal officials and economic development professionals are encouraged to consider the use of BR+E as a tool in their economic development efforts.

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