



Ontario Digital Main Street

BUILDING Resilience for Small Business

April 2020 Progress Report

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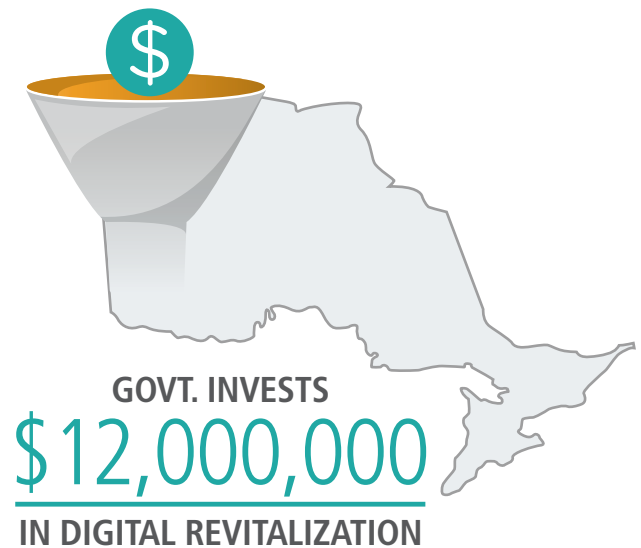


“ Retailers must shift their way of thinking and build digital into their vision and strategy from the very beginning. Technology cannot be the fourth or fifth business decision; it must be the first. ”

(Retail Trends in Canada 2019-2020, BDO Canada report, August 2019)

Executive Summary

Recognizing the need in 2018 to help main street small businesses be more resilient, the Government of Ontario funded Ontario Digital Main Street (DMS), a \$12 million multi-faceted program to help main street small businesses adopt and use digital technologies more effectively. The project was an expansion of the Digital Main Street program that was originally created by the Toronto Association of Business Improvement Areas three years earlier.



DMS is part of the Ontario Main Street Revitalization Initiative, a \$40 million Government of Ontario investment over two years to create jobs and help communities re-energize their main streets.

Today, Ontario is facing an extraordinary economic and social challenge as priorities shift to address the COVID-19 public health crisis, creating enormous downward economic pressure, particularly on small businesses.

Those best able to survive had made prior investments in e-commerce capabilities, remote-working technologies, and customer relationship tools. By improving their ability to work online, as well as reach and sell to customers online, these businesses now continue to earn revenue, keep customer relationships intact and maintain ties with suppliers.

Of the more than **15,000 businesses** that participated in Digital Main Street, many are better able to cope during the COVID-19 crisis because of the foresight of the Ontario government to implement a program focused on revitalizing the heart of communities and building small business resilience across the province. At no other time in history have digital capabilities emerged as the key component businesses needed in order to thrive in an increasingly competitive, global, and volatile environment.



**CONNECT
EMPOWER
SUCCEED**

With the unprecedented challenges that businesses are facing from the impacts of measures to stop the spread of COVID-19, the Digital Main Streets program has proven to be timely as businesses are forced to either limit their operations or close their doors entirely. Working online has become the new normal as business—particularly small business—struggles to adapt to the situation.

(Brian York, Director of Economic Development and Government Relations, City of St. Catharines)

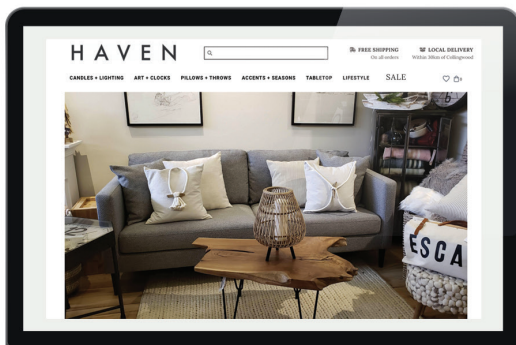
Reaching Main Street Ontario

The Ontario BIA Association (OBIAA) was and is uniquely placed to work with the Toronto BIA Association (TABIA) and the Government of Ontario to deliver Digital Main Street. OBIAA has the exclusive ability to reach the 315+ Business Improvement Areas (BIAs) that support their communities, and in turn, main street businesses.

For the past 19 years, OBIAA has built a high degree of trust and credibility with BIAs, municipalities, Chambers, and Ontario ministries. That trust positioned OBIAA to work with the Government of Ontario to launch and administer Digital Main Street in a way that not only effectively addressed the digital disparity common among main street small businesses, but also resonated with needs of the entrepreneurs who own those businesses.



“ This is the exact program small businesses need. ”
(Cathy Lee, Haven Home & Gift, Collingwood)



The Digital Main Street Story

Digital Main Street was created by TABIA in June 2016 in recognition of the need to help Toronto's main street small businesses adopt online and digital tools in order to be competitive and improve business outcomes.

TABIA and the City of Toronto partnered to launch and deliver the program, along with a group of strategic partners — Google, MasterCard, Microsoft, and Shopify. The program was designed with entrepreneurial attitudes in mind, acknowledging that small business owners are spirited, independent, and over-extended. Time, money, energy, and attention are all in short supply, so DMS adopted an innovative approach designed to help these small businesses digitally transform.

The components of the program include **knowledge transfer** through online/in-person learning platforms; **resources** through small business grants; and, **support** through trained digital service squads deployed into the main street community. These key components work together to help build digital capacity in stages.

We need to help equip our main street businesses with the technology to meet the changing expectations of today's consumer.

(The Hon. Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs)

Small businesses drive our economy forward... It's our job to ensure Ontario has the environment necessary for success in the future.

(Vic Fedeli, Minister of Economic Development, Job Creation and Trade. Prabmeet Singh Sarkaria, Associate Minister for Small Business and Red Tape Reduction. From *Shaping Ontario's Small Businesses Strategy*, Government of Ontario, 2019)

Community Focus

OBIAA, with the support of the Province and in partnership with TABIA, has rolled out the DMS program in order to support communities across the province. Reaching into the main streets of villages, towns, and cities across Ontario means ensuring the program's effectiveness is extended from corner-to-corner, from remote communities in the north and northwest, to the populous south and west, and up the St. Lawrence and Ottawa River Valleys.

Since its launch, the program has proven its ability to impact every type of community in the province. A total of 155 municipalities effectively rolled out the Digital Service Squad (DSS) program equating to 100 DSS grants awarded to 58 BIAs and 42 municipalities and Chambers.

DIGITAL SERVICE SQUAD GRANTS



PARTICIPATING COMMUNITIES



As a retail confectionary business, we used the DMS grant funds to help us exceed our traffic and conversion goals, which made the transition from brick-and-mortar to e-commerce during the COVID-19 pandemic seamless. We have been able to keep the business running with online sales.

(Digital Transformation Grant Feedback Survey, 2020)



Downtown Perth, Ontario



The municipalities, Chambers, and BIAs that were awarded a DSS grant contributed to its success by providing matching funds for securing additional training and resources, and promoting the program to their main street small businesses. This support demonstrates the importance they place on ensuring their downtown small businesses are sustainable and successfully launched into a new online economy.

MATCHED \$ AND IN-KIND



“ Digital Main Street is an example of how important it is that we all work together to make things happen. ”

(The Hon. Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs)

Keeping Ontario Working



Job creation is at the heart of the government’s commitment. The DMS project supports jobs in two vital ways:

- 1) by helping to keep main street small businesses healthy and growing, and in turn, protecting jobs, promoting job growth, and stimulating the local economy; and
- 2) by creating work opportunities for recent graduates (partnering with local colleges and universities) and/or by hiring experienced marketers to deliver DSS services.

TOTAL # JOBS GENERATED BY DSS



“ Small businesses make up 40.6% of Ontario’s Gross Domestic Product and employ 2.3 million Ontarians. ”
(Shaping Ontario’s Small Business Success Strategy, Government of Ontario, 2019)

The Online Opportunity

Buying online today is the norm, not the exception, with eight out of 10 Canadians buying online¹ and almost 50% buying online at least twice a month.² According to *The 2019 e-Commerce Benchmark Report* from Canada Post, the average number of online purchases by Canadian rose by 58% between 2016 and 2018.³

Yet, in an increasingly competitive and online world, main street small businesses have been slow to adopt digital technologies, putting them at a disadvantage and reducing their resiliency. According to the Government of Ontario's recent publication *Shaping Ontario's Small Business Success Strategy*, as much as 40% of Ontario small businesses do not have a website.⁴

The potential for these businesses to 'up their digital game' is enormous. Online commerce is predicted to account for between nine percent and 10% of all retail sales in Canada,⁵ and 62% of Canadians prefer to buy from Canadian online retailers.⁶

The reality is main street small businesses manage their operations with limited time, funds, and knowledge of digital tools and techniques. These limits create challenging barriers to thriving in the new online business environment. The DMS program is optimized to help businesses adopt and expand their digital capabilities in ways that are realistic, actionable, and effective.

Main Street businesses have to compete with retail chains that offer all these convenient shopping experiences and options. And that's no easy task...

(The Hon. Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs)

CANADIAN ONLINE PURCHASES



Research shows businesses that invest in technology have higher revenue growth and higher profit growth.

(*Shaping Ontario's Small Business Success Strategy*, Government of Ontario, 2019)

¹The 2019 e-commerce benchmark report, Canada Post

²Internet Retailer Canadian Consumer Survey, July 2017

³The 2019 e-commerce benchmark report, Canada Post

⁴Shaping Ontario's Small Business Success Strategy, Government of Ontario, 2019

⁵The State of Ecommerce in Canada, CIRA, 2016 and eTail Canada: The eCommerce & Omnichannel Conference 2019 Director's Report.

⁶The State of Ecommerce in Canada, CIRA, 2016

Innovating for Success

OBIAA has delivered an expanded version of the unique and innovative design of DMS by responding to the special needs of these main street business owners across the province.

DMS is a program built around a trained squad of street-level members, an online learning platform, and structured training programs to help main street businesses grow and manage their operations through technology. This successful foundation has been expanded into a comprehensive program to assist local BIAs, municipalities and ultimately, main street small businesses across Ontario, assess, explore, and support their future goals.

Gaining the experience necessary to compete in the digital age is an important element of success. Businesses in the Main Street districts of Ontario will receive hands-on training from the Digital Service Squads to help build their online presence.

(Prabmeet Singh Sarkaria, MPP and Associate Minister for Small Business and Red Tape Reduction)



Responsive Program Design

These basic principles form the foundation of the expanded Ontario Digital Main Street program:

- ▶ Support digital transformation through **knowledge transfer**, capacity building, and education.
- ▶ Provide business owners with the access to **resources** needed to begin their digital transformation and empower them to become smart decision-makers in order to grow their businesses.
- ▶ Provide businesses with hands-on **support** and guidance through proactive DSS members and administrative centres.

DIGITAL
MAIN ST.

As created by TABIA

OBIAA™

Ontario 

tabia



Knowledge Transfer

Digital Assessment

Online Training

Digital Transformation Plan

In-Person Workshops/Webinar Training



Resources

Digital Transformation Grants

Digital Vendor Directory

Digital Service Squad Grants



Support

Digital Service Squads

Administrators, BIAs,
EcDev Offices, Chambers





Digital Assessment

The first stage of the digital transformation process is a self-assessment of current digital and online capabilities. The digital assessment tool is available on the DMS online platform at digitalmainstreet.ca and takes small business owners through a step-by-step series of questions to determine their current digital footprint and make recommendations for potential areas of improvement and enhancement.

DIGITAL ASSESSMENTS TAKEN

9,188

SMALL BUSINESSES OWNERS



Online Training and the Digital Transformation Plan

The next stage is to complete the online training. This multi-module digital training program is vital to helping small businesses understand how to use digital tools and technologies to grow their businesses for today's needs and for the development of future needs.

The final part of the training takes the business through the steps of writing a Digital Transformation Plan (DTP). This plan is a road map for the business to execute their digital objectives and includes an action plan and milestones to ensure success.

USE OF DIGITAL TRAINING

5,657

SMALL BUSINESSES OWNERS



I am learning a lot from the online DMS training modules and feel empowered by my enhanced knowledge... Every aspect of DMS is hitting key areas of interest for me.

(Trendsetter Hair Clinic, Kingston)

In-Person Workshops / Webinar Training Program

OBIAA partnered with training provider, Camp Tech, to deliver hands-on, specific training to small businesses across Ontario through webinars and in-person workshops held in communities across the province. The Camp Tech training delivered targeted content to help entrepreneurs and owners learn about website development, social media, e-commerce, online advertising and digital marketing, and other digital topics.

OF IN-HOUSE TRAINING REGISTRANTS



4,437

WEBINARS

2,754

WORKSHOPS





Digital Transformation Grant

Qualifying main street small businesses that completed their digital assessment, digital training, and DTP could apply for a \$2,500 Digital Transformation Grant to help cover the costs of implementing their plan.

There were **2,165** grants available to qualifying businesses, and all grants were distributed for a total value of **\$5,412,500** injected into Ontario main streets. Grant recipients reflected the mix of main street small businesses, with retail and food services dominating but also including a range of other types of services.

DIGITAL TRANSFORMATION GRANTS

2,165 → 2,165

PROVIDED TO SMALL BUSINESSES

TOTAL \$ VALUE ISSUED

5,412,500

TYPES OF BUSINESSES RECEIVING GRANTS

Retail	782	36.1%	Business Services	51	2.4%
Consumer Service	230	10.6%	Recreation	47	2.2%
Food & Beverage	229	10.6%	Health & Beauty	46	2.1%
Health & Wellness	224	10.3%	Art Gallery	39	1.8%
Restaurant	206	9.5%	Entertainment	25	1.2%
Beauty	102	4.7%	Education	21	1.0%
Medical Services	86	4.0%	Music	9	0.4%
Financial Services	59	2.7%	Accommodations	9	0.4%
			OVERALL TOTAL	2,165	100.0%

“Lack of resources to invest in innovative or new technology is one of the six major challenges facing small businesses across the province.”

(*Shaping Ontario's Small Business Strategy*, 2019, Government of Ontario, 2019)

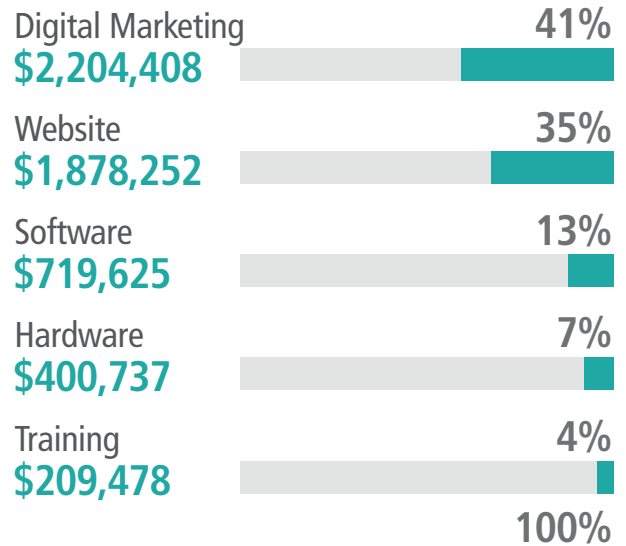


Businesses receiving grants applied the funds to a variety of uses, including optimizing websites for search, setting up e-commerce, back-office solutions, social media advertising and creating customer databases. The figure to the right illustrates the various areas where businesses focused their efforts.

Words cannot express how helpful this Digital Transformation Grant has been to us. It has helped us cover a lot of expenses that a business in its first year wouldn't normally be able to afford such as Google ads, boosting social media ads, SEO, etc.

(RUZE Escape Rooms, Burlington)

USE OF FUNDS



Digital Vendor Directory

The DMS design considered how small businesses could best access local digital vendors for required consulting and services. The DMS Vendor Directory housed at digitalmainstreet.ca has more than 740 **registered** digital vendors in 110 communities across Ontario.

Vendors in the directory offer a range of capabilities including digital marketing, e-commerce, digital connectivity, cloud computing, and search engine optimization.

DIGITAL VENDORS



TOTAL #
740

Support

Digital Service Squads

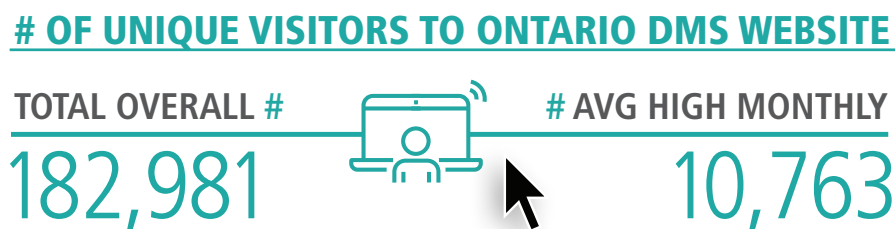
At the heart of the program's design is the DSS. BIAs, municipalities, and Chambers could apply for \$10,000 grants to hire and train digital squad members to proactively visit main street small businesses at no cost to the business. These trained specialists help them with the online assessment, and once they complete the online training modules, can assist with the development of their DTP in

order for the business to apply for a Digital Transformation Grant. Squads are also equipped with 360° cameras to help businesses increase their visibility on various online platforms. This one-on-one DSS help includes support for basic website set-up, digital storefront set-up with e-commerce, creation or enhancement of social media presence, and much more.



The Result

The province-wide response to the DMS program over the past two years shows the increasing need for this type of program to equip main street small business entrepreneurs and owners with knowledge, resources, and support. The amount of interest this program generated across the province is evidenced by the numbers: 182,981 unique visitors visited the Ontario DMS online platform over the two-year program, building to an average high of 10,763 per month.



The clearest indicator of need, however, is the number of businesses that applied for the Digital Transformation Grant. At the December 31, 2019 cut-off, 2,553 small businesses applied for 2,165 grants. This means that of the more than 100,000 businesses/property owners within the BIAs across Ontario, 97,447 were unable to receive a Digital Transformation Grant during the two-year window for a variety of reasons. If all small businesses in Ontario are factored in, the number jumps to 415,577 (Statistics Canada). In addition, there were many eligible rural communities across the province that did not apply for the Digital Service Squad Grant as a result of limited time and resources.

The recent pandemic has shone a bright light on the need to ensure that our communities, and the small businesses that support them, are resilient enough to survive and thrive in a world that is globally connected. OBIAA's successful partnership with the government of Ontario and TABIA, together with the launch of the expanded DMS program across the province, has proven to be a highly effective and efficient way to ensure main street small businesses have the digital capabilities they need to continue to drive Ontario's economy forward.

The good news is that this initiative continues to make progress. As of April 30, 2020, there are still over 50 Digital Service Squads assisting businesses while also adapting their program outreach in order to comply with the province-wide shut down. Certain municipalities that have seen the positive effect on their main street businesses have provided additional funding in order to prolong the DSS program in their areas.

The government of Ontario, in turn, has extended the completion deadline to allow Digital Transformation Grant recipients more time to execute their plans and reach their objectives. This means that once the shutdown is lifted, over 800 businesses will be able to complete their plans and expend their grant dollars into the economy.

In retrospect, the government of Ontario's 2018 decision to invest in Digital Main Street was timely, strategic and essential for increasing the digital capabilities and resilience of main street small businesses across the province.

Ontario Digital Main Street

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