

**DIGITAL**  
**MAIN ST.**™



# A HAND UP FOR SMALL BUSINESS

SMALL BUSINESS WEEK | 2020 Progress Report



This project is funded in part by the Government of Canada through the Federal Economic Development Agency for Southern Ontario.

# A HAND UP FOR SMALL BUSINESS

## Digital Main Street proves its value.

In 2018, the Government of Ontario – through the Ministry of Agriculture, Food and Rural Affairs (OMAFRA) – funded the expansion of Digital Main Street (DMS). The original DMS program had been created by the Toronto Association of Business Improvement Areas (TABIA) in 2016. The new \$12-million multi-faceted program, administered by the Ontario BIA Association (OBIAA), had the mandate **to help main street small businesses adopt and use digital technologies more effectively to drive their sales and growth.**

Through 2019 and early 2020, over \$5.4 million in Digital Transformation Grants (DTG) was distributed to qualifying businesses. These grant recipients reflect a diverse mix of main street small businesses found across Ontario.

**DIGITAL  
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**\$5,400,000**  
Total Value of Grants Distributed



**\$2,660,200**



**in DSS Provincial Grants**

BIAs, Chambers and municipalities could also apply for Digital Service Squad (DSS) grants to hire and train digital specialists. These squads would proactively visit main street small businesses, at no cost to the business, and assist them through the DTG application process.

Knowledge transfer was a key component in this initiative. As part of the DTG application process, 5,657 small business owners took part in digital training to acquire the knowledge to enhance their digital presence. DMS Ontario also provided a set of in-person workshops and webinars province-wide, in which 2,754 and 4,437 small business owners participated respectively.

## Need fuels demand

**By the application cut-off at the end of 2019, 2,553 small businesses had applied for 2,165 grants.** Under the original program scope, both the DTG and Digital Service Squad grant programs had a completion date of May 31, 2020. However, as the Ontario DMS program neared its end, assessments of its effectiveness and success stories from across the province proved it was an initiative worthy of renewal.

**In March 2020, the need to proceed with that renewal became critical.**

2020

March





## COVID-19 turns the world upside down

The Province of Ontario declared a State of Emergency (SoE) in response to the COVID-19 pandemic. **This forced non-essential businesses to close by month's end.** While takeout, delivery, and curbside pickup options remained for some, the majority that had been deemed "non-essential" had no recourse but to shutter their brick-and-mortar operations.

**The need and the ability to conduct business online had become vital to survival.**

### Small Biz Bears the Brunt According to Statistics Canada:

Almost 60% of small businesses with 1 - 4 employees and about 55% with 5 - 19 employees report **March business declines of 20% or more.**

Only 35% of businesses with 100 or more employees reported such business declines.

Any small business that laid off at least one employee was likely to have **laid off 80% of its staff.**

Small businesses were more likely to request credit from a financial institution to cover operating costs.

20%

80%

## Legions of small businesses left with few options

There are more than 100,000 businesses/property owners within BIAs across Ontario. A 2019 report from the Government of Ontario found that about **40% of Ontario small businesses did not have a website** – this means that tens of thousands of small businesses across Ontario were left with few, if any, options.

**OBIAA acted quickly to provide what assistance it could.**

The same week that Ontario's SoE was declared, OBIAA staff implemented **bi-weekly ZOOM calls to assist BIAs** across the province in helping their member businesses weather the storm. OBIAA's monthly newsletter became a daily publication through April and May to share important information and access to online resources.



Statistics Canada reports there are more than

**415,000**  
**SMALL BUSINESSES**

# 5 lessons learned by Digital Service Squads



## 1 | Direct engagement drives participation

“A lot of businesses wouldn’t have signed up for Digital Main Street if they hadn’t had the one-on-one help from a Digital Service Squad,” said Ciara Stead, Communications and Marketing Officer at Almaguin Economic Development in the Parry Sound area.

## 2 | A shift in thinking takes effort

Business owners need encouragement to follow through on adopting new practices. “When you are used to running your business in a certain way and having success doing it that way and someone comes along and says, ‘here is a better way to do it,’ there is always that eyebrow raise reaction that has to be overcome,” said Dave Gray, Director of Economic Development for the Almaguin Highlands Region.

## 3 | Digital literacy is a mixed bag

“You would presume that if you spoke to a certain age demographic, that person would have a certain level of digital literacy, but that could not be relied on,” said David Soo, Project Manager of Mississauga’s Digital Service Squad in 2019. “Owners are entrepreneurs, and they are often so engulfed in the day-to-day operations of their business, they don’t make the effort to build their digital knowledge.”

## 4 | DMS is a great template

This template can be used by municipalities to create similar programs that reach a broader swath of small businesses– as happened in Northumberland County with a program called Digital Footprint 2020 meant to help local tourism operators. “We did this to help those communities that didn’t have BIAs and were not eligible for the DMS program,” said Kira Mees, Community Development Officer for the Municipality of Trent Hills.

## 5 | A rising tide floats all ships

In the Niagara Region, St. Catharines’ economic development team pursued a “centralized partnership” in which 12 BIAs applied together. This created the critical mass to fund a larger full-time Digital Service Squad that could operate for a longer period and reach more businesses, said Downtown Development Officer Samir Husika.

## Dickie’s Cooking School



## “Be open to what you could do”

... Lisa Dickie says to fellow business owners.

Dickie’s Cooking School delivers in-person classes, camps and parties from its own brick-and-mortar premises. This of course left it having to endure **several months of shut down** due to pandemic response measures from March to June 2020.

When Dickie’s reopened its doors, it was quickly back to business as usual. Bookings rolled in as kids, parents and special needs adults alike took advantage of the chance to get out of the house and take part in a fun activity – with appropriate safety precautions, of course.

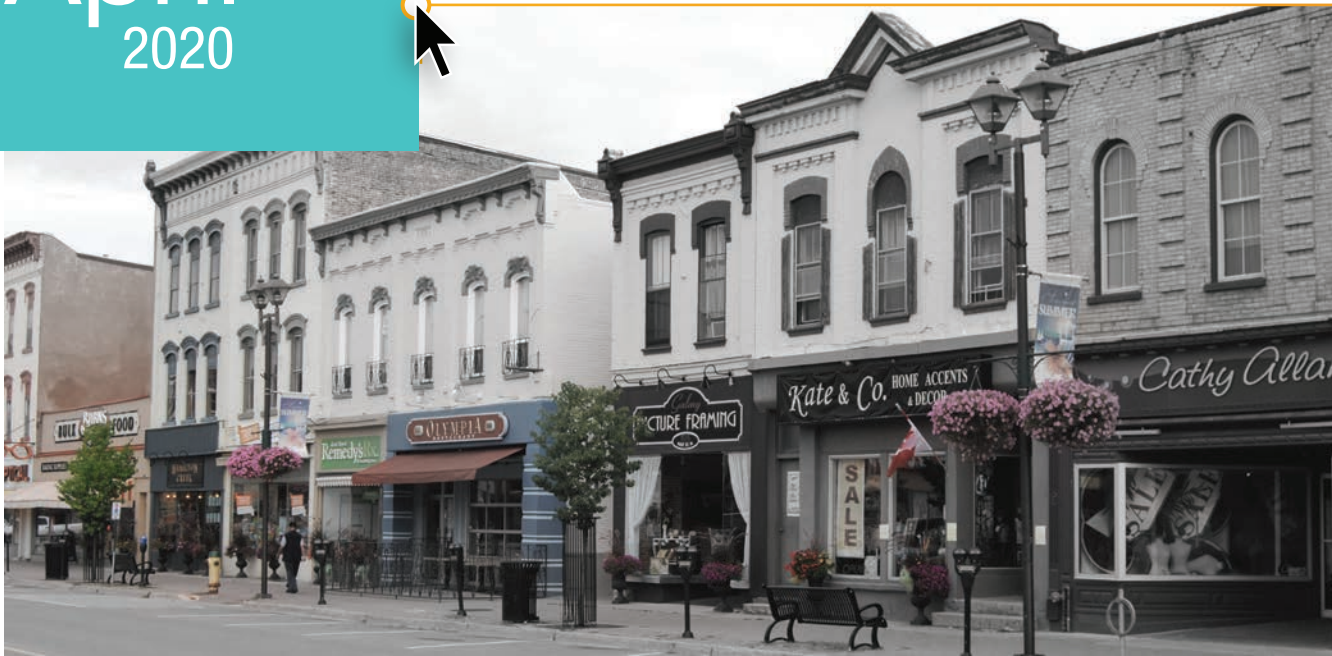
That’s because owner Lisa Dickie in 2018 had used a DMS grant to relaunch her website to be more user-friendly and enticing, with lots of imagery to tempt the eye and the palate. Lisa also **learned to use social media and blogging** more effectively to grow and maintain her audience, and to encourage online customer reviews.

Rather than just go dark and silent for the three months until she could reopen, Lisa used these skills to remaster online, by **offering cooking tips and advice through social media and email**, as well as **remote cooking lessons through Zoom**.

The whole experience taught Lisa how important it is for any small business owner to “be **willing to switch gears**.”

“I know a lot of people who have a business that is based on delivering a service in-person who say, ‘I just can’t see how I could do this online.’ It’s not always possible, but you have to be open to what you could do.”





## Main street becomes a shadow of its former self

By April, main streets across Ontario had become ghost towns. Images of empty streets and shuttered businesses poured into OBIAA from across the province.

For those small businesses that had received a DTG and implemented a plan to enhance their online presence, DMS proved to have been the right program, at the right time, to make them more resilient and adaptable.

**On April 9, OBIAA launched a running online survey of DMS grant recipients that illustrated just how important DMS had proven to be for their survival.**

### OBIAA DMS Grant Recipient Survey (200 responses)

70% were better positioned to withstand the impact of the provincial shutdown

70%

63% could continue generating revenue online

63%

97% consider DMS program a success



97%

59% say grant amount of \$2,500 is not adequate

**Through April, it became increasingly evident that the DMS program and digital competency were vital to small business sustainability:**

- The sharp impact due to **lost revenue and layoffs**, suffered **most acutely by small businesses** versus larger ones, as reported by Statistics Canada.
- Government of Ontario research which had found that some **40% of small businesses in Ontario lacked a website**.
- The **high demand** for Digital Transformation Grants.
- The high percentage of DMS **grant recipients** who **applauded** the success of the **DTG program**.



## DMS 2.0 – a critical necessity

The message was clear – Digital Main Street delivered real, tangible value to main street small businesses when they needed it the most. We live today in a multi-channel world. This was the reality well before the pandemic. To ensure communities across Ontario maintain vibrant main streets, small businesses must have the tools and the resources that will enable them to evolve with the times and adapt to crises.

This benefits not just the business owner, but the community as a whole, to ensure main streets everywhere remain vital hubs of employment, tourism, and cultural engagement.

## Reimagining what you can do with the hand you are dealt

By May, efforts were underway across the province at all levels to keep main streets, and main street businesses, surviving to fight another day.

Many businesses deemed non-essential were benefiting from some easing of shutdown measures – notably, those able to **process and fulfill curbside pickup orders**. Businesses that had already invested in their online capabilities were best positioned to take advantage of this.

Business owners shared through their BIAs stories of how they were coping. **Social media became an essential communication tool with customers.**

Under the original timeline, the DMS program was to be completed in May, with all grants allocated, recipients' Digital Transformation Plans completed or at least underway, and recipients' final reports due by month's end. But many recipients struggled to make headway on their plans given the pandemic disruption and wondered if they would in fact have to return their grant money.



### May a Record Month for .ca CIRA (Canadian Internet Registration Authority) Reports for May Domain Name Registration

**Increase of 38%**  
from May 2019

38%

Registrant survey finds:  
**40% of respondents**  
**creating new business**  
**websites**

40%

**15% building**  
**e-commerce**  
**website**

15%

## Stakeholders take action

The Government of Ontario extended the deadline for the DMS program to better enable businesses to complete their Digital Transformation Plans. In addition, any BIA, Chamber or municipality that had unused **Digital Service Squad funds were allowed to extend their program** through to August.

Some municipalities allocated additional funds from their own budgets to keep their Digital Service Squads operating after the original grant funds from the province had been expended. This provided essential on-the-ground assistance to main street businesses struggling to make that online jump at a very challenging time.

Meanwhile, behind closed doors, discussions were well underway between all key stakeholders on a renewal of the DMS program to help more small businesses adapt to the pandemic.

## Changing the structure of retail in Canada

### Statistics Canada reports:

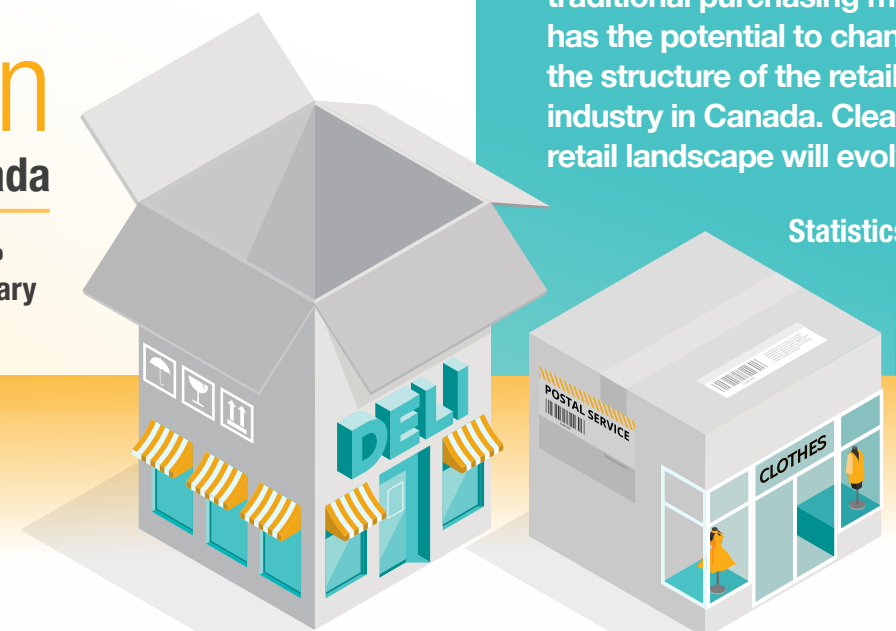
**e-Commerce**  
**sales hit a record**

**\$3.9 billion**  
**in May 2020 in Canada**

That was an increase of 2.3%  
from April, 99.3% from February  
and 110.8% from May 2019.

“ These record gains in e-commerce occurred as total retail sales experienced record declines... The degree to which Canadians continue to choose e-commerce purchasing options or return to traditional purchasing methods has the potential to change the structure of the retail trade industry in Canada. Clearly, the retail landscape will evolve. ”

Statistics Canada





## The Island Jar



# Digital investment pays off for Manitoulin Island during the pandemic

The Island Jar is a whole-food market and café located in Little Current – Manitoulin Island’s gateway community. As a DMS grant recipient, Island Jar owner Aline Taillefer didn’t want to just boost her own online presence, but also that of the many farmers, crafters and artisans across the island.

That is because Manitoulin Island sees legions of cottagers, boaters and other tourists during the summer months, many from the U.S. This traffic is vital to support the island’s economy, but after Thanksgiving, it all goes quiet. Aline

and her team launched **Manitoulinmarketplace.ca** in March 2019 to soften the impact of the off-season with online sales.

Then the pandemic struck. Within a matter of days, an **e-commerce** site intended to offer only a selection of island products **expanded** to include as much of the **grocery product inventory from The Island Jar** as possible, as well as **products from other island vendors**.

The goal wasn’t to make all these additional goods available for shipment off island, but to provide island residents with a safe and

convenient way to acquire what they needed from local businesses.

*“We are thankful that we were able to get the DMS funding the year before and get this all set up when we did,” Aline said. “It was really fortunate timing.”*



## The Couples Clinic



ONLINE COUPLES  
COUNSELLING

Online counselling becomes vital to business survival for couples therapist



Session 4  
Love Respect

Start

Ronnie Littlewood and her husband of 25 years, Brian, operate The Couples Clinic in the Sarnia-Lambton area. The clinic counsels couples and individuals to overcome whatever issues may be interfering with their relationships or their ability to form lasting ones.

In early 2019, Ronnie qualified for a DMS grant to **deliver her counselling program online**. She then spent the better part of a year testing out nine different platforms to find the right

one that would allow her to deliver **interactive video counselling sessions remotely**, including the means to confidentially file-share worksheet assignments.

By February 2020, Ronnie had made her choice. She handed the project off to her website developers for implementation and went on a cruise. Shortly after she returned from vacation with plans to launch and promote her new online service, the pandemic struck. Overnight,

what had been an optional way to reach and serve her clients became critical to the survival of Ronnie’s business.

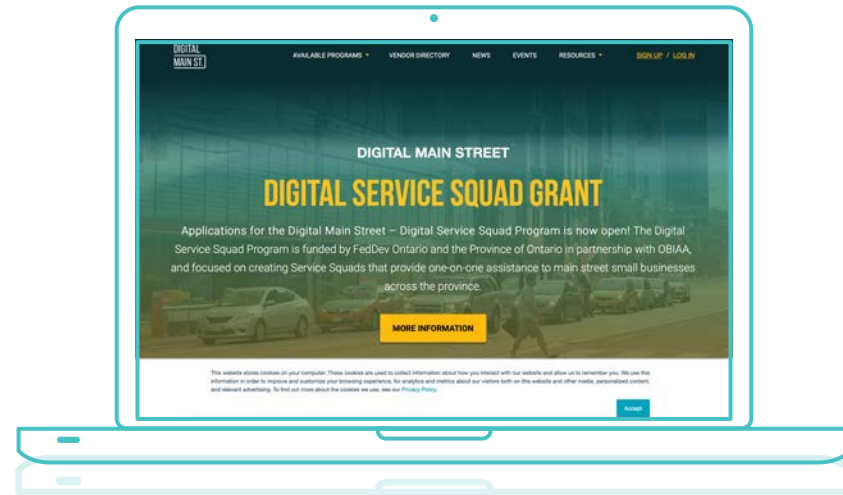
She and husband Brian hustled to reach out to clients one-on-one. **They relied on the support, resources and learnings of the DMS program to develop and implement effective online advertising campaigns that would zero in on their target audiences.** Clients responded and followed Ronnie and Brian online.

*“It wasn’t just about saving my business, it was about saving families – we must have prevented a dozen divorces during that time,” Ronnie said. “What people are suffering from is more than stress — it’s collective trauma. We saw the same thing during the Great Depression.”*

\$57 million



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## Digital Main Street 2.0 arrives

On June 11, the federal and provincial governments announced an **investment of \$57 million** to continue the Digital Main Street expansion project, with the intent to help as many as **23,000 additional qualifying small businesses** across Ontario. The new program also enabled businesses to **generate co-op jobs for more than 1,400 students**.

This renewed funding includes a **\$15.85-million contribution from the Federal Economic Development Agency for Southern Ontario (FedDev)** and the **Ontario Ministry of Economic Development, Job Creation and Trade (MEDJCT)**.

### Preparation to expand and reach

The program partners split Ontario into two regions, North and South, to expand the reach and the efficiency of the DMS program. For purposes of the program, “Southern Ontario” is defined as that region of the province south of Gravenhurst and including Eastern Ontario. “Northern Ontario” includes all other communities north of Gravenhurst.



Ontario’s small businesses are the backbone of our economy, and their recovery is critical to Ontario’s recovery. As thousands of small businesses across the province closed their doors and halted business during the COVID-19 outbreak, many struggled to shift sales or services online. I am very pleased, that together with Minister (Mélanie) Joly and our federal partners, we are providing small businesses with the tools they need to recover, and flourish, as Ontario reopens.



**Prabmeet Sarkaria, Ontario’s Associate Minister of Small Business and Red Tape Reduction, June 2020 DMS announcement**

### Key elements of DMS 2.0

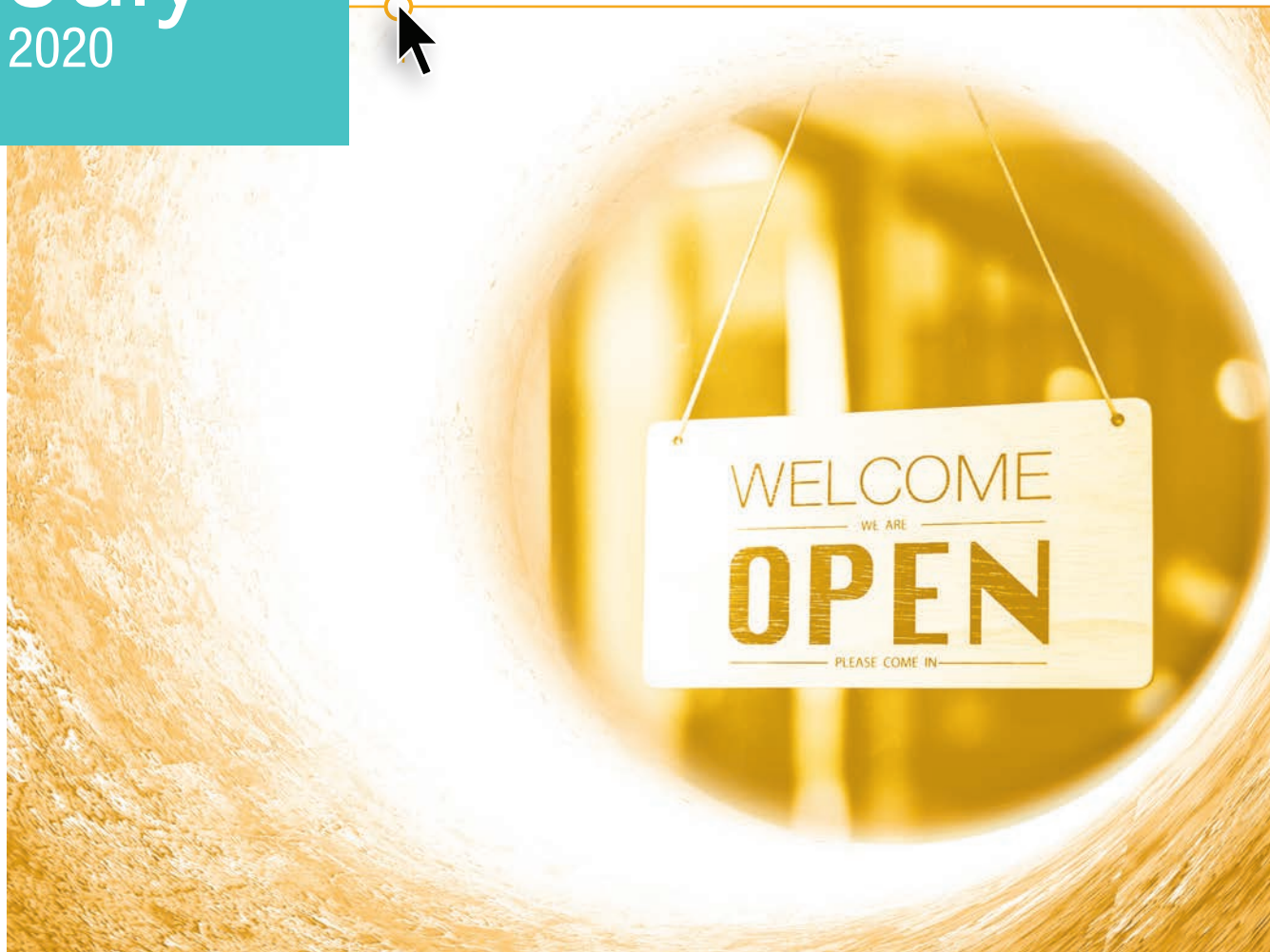
FedDev contributed **funding for 2,750 additional DTG grants**, worth a total of **\$6.875 million**

Ontario’s Ministry of Economic Development, Job Creation and Trade (**MEDJCT**) contributed **1,072 DTG grants**, worth a total of **\$2.68 million**.

An additional **\$3.35 million** was budgeted for the **renewal of the Digital Service Squad program** in both regions.







## A light at the end of the tunnel

The **grant application window opened on July 1 for phase two** of both the Digital Transformation and Digital Service Squad grant programs. Along with Ontario's gradual Stage Three reopening, light could now be seen at the end of what had been a long, dark tunnel.

Through five challenging and busy months, OBIAA had reaffirmed how it is uniquely positioned to work with TABIA, the Government of Ontario and the Federal Government to deliver programs like DMS that are **critical to the success of main street small businesses**.

**Using OBIAA's network of 315+ BIAs across Ontario that support their main street businesses and in turn, their communities, had proven its worth.**

## Shopify charts online shift

The number of new stores created on Shopify's e-commerce platform

**grew by 71%**

in the April-June period vs. the first three months of the year.

“Over the past few months, we've seen the COVID-19 pandemic fundamentally shift the way businesses and consumers interact,” COO Harley Finkelstein said on a July conference call with analysts.

“It has catalyzed e-commerce, introducing major changes in buyer behaviour and pulling forward what retail would look like in 2020.”

“It took 10 years for e-commerce to grow by 11% ... The COVID pandemic hyper-charged online sales, **driving the growth by 11% in just eight weeks!**”

Disruption Magazine, July 2020 issue

## A team effort



Municipalities also deserve credit for their efforts in support of the DMS program and their local BIAs to help main street businesses weather the storm. The Province of Ontario, of course, aided this by extending the May deadline for phase one of DMS to August 31, 2020. These, and other efforts in collaboration with local BIAs, enabled municipalities to easily ignite or reignite their efforts to help main street businesses transition online.



## Frog's Whiskers Ink and Kerr's Corner Books



# Pandemic is just one more challenge to overcome for this entrepreneurial couple

Retired dairy farmers Tom and Rose-Marie Kerr operate two businesses under the same roof in Campbellford on the Trent-Severn Waterway.

Rose-Marie's original home-based sewing and artistic rubber stamp and scrapbooking business has grown into Frog's Whiskers Ink. She hosts classes for fellow crafters and also designs custom stamps that Tom manufactures. These are sold and distributed across North America, in Europe, and even down to Australia. Their other business is Kerr's Corner Books.

Both businesses have been online with an e-commerce storefront from their early days. In 2019, the Kerrs took advantage of the opportunity

to upgrade their web presence and their digital marketing skills with a DMS Digital Transformation Grant.

Since the physical store also served as the town's Canpar/UPS shipping station, it was deemed an essential business and allowed to remain open when the pandemic struck. Still, the volume of foot traffic from local customers declined steeply. Rose-Marie could no longer host her in-store classes. Orders for stamps through their distributor also dropped.

"Online was the next best way to tackle the 'stay safe' protocols," Tom said. "Now all our bookstore inventory – games, toys, cards and puzzles – as well as all of

our 3,500 stamps and 1,000 or so associated supplies are online. **We are selling more online, doing more local delivery and shipping orders to customers more than ever.**"

For any small business owner, change is always the constant, Rose-Marie added.

**"You are always somewhat in charge of your own normal," she said. "No business is what it was or has the same products on the shelf that it did 20 years ago. Part of being in retail at all is making your own trends."**

## Georgetown gift and décor shop reinvents itself online

### Dini & Co



Dini Lamers operates Dini & Co. in Georgetown (part of the Regional Municipality of Halton). The shop specializes in home décor, gifts and fashion and stocks the Annie Sloan line of decorative chalk paints. It also hosted a collective that featured works from more than 30 local artists.

Like many small business owners, Dini found it a challenge to make the leap into a full-fledged online business, even though she knew it was her next logical step. In late 2019, she had qualified for a Digital Transformation Grant, but by March of this year, she still hadn't proceeded with her plan to use those funds.

When the pandemic struck, Dini's business came to a screeching halt. Over the next month, she scrambled to proceed with her Digital Transformation Plan by investing in a new computer, new software and digital marketing courses. She also redeveloped her website with e-commerce capabilities. **This enabled Dini & Co. to relaunch as an online business well before Dini could reopen her physical front door.**

"Revenues have returned to pre-pandemic levels, and I am confident that they will increase because Dini & Co. now has an online store to complement our brick and mortar," Dini said.

Sometimes, she added, it just takes a good kick to realize the need to do something different.

**"Over the past 10 years, I've had to reinvent myself constantly to the changes that were happening," Dini said. "Brick-and-mortar stores that pull themselves through this will be the ones that sat down and reinvented themselves again."**





## A time to reflect and regroup

**By the end of August, about 80% of the phase two**

**Digital Service Squad funds had already been allocated.**

Municipalities and BIAs fully appreciated how critical these squads are to the success of the DMS program. It is evident that they remain hungry for the resources and support to help ensure DMS grant recipients find success with their Digital Transformation Plans.

With the DMS Grant program renewal, a total of 3,822 grants became available across Ontario. By August 31, just two months after the application window opened, almost 1,300 main street businesses were in the process of applying for the Digital Transformation Grant and had been accepted into the pre-requisite training they must complete before receiving a grant. Of those, more than 187 had already completed the process and received their grants.



“

OBIAA played a key role to advocate for and shape this renewed DMS program. Our entire team is grateful for the support of FedDev Ontario and Ontario's Ministry of Economic Development, Job Creation and Trade for their assistance in making this possible and in recognizing the important role DMS had played in helping previous grant recipients survive the first months of the pandemic.

”

**Kay Matthews, Executive Director, OBIAA**

## Empowering small business

Ultimately, DMS is about human interaction and collaboration, with a program framework that empowers small business owners to express their needs and concerns, be heard, and get the practical advice and support they need.

**The OBIAA team is both proud and humbled to have played its part in making DMS a success and in supporting the collaborative effort of the past six months.**

We moved quickly from the outset of Ontario's State of Emergency to help small businesses and their BIAs keep up-to-date on developments as well as resources and tools that could help them.

### Lines of Communication

**Between March 17 and August 31, OBIAA distributed 90 newsletters and held 50 Best Practices Zoom calls with BIAs.**







## Main Street will be more resilient than ever

Main Street

It is fair to say that the face of Main Street has been forever changed. Even with an end to the pandemic and the widespread availability of a vaccine, our habits as consumers will have found a new and different normal. One DTG recipient compared it to the radical disruption caused by the arrival of the telephone or the automobile.

The success of the Digital Main Street Ontario program has proven how vital it is for **any** small business across Ontario, main street or not, to be able to accommodate such dramatic disruption. Viewed in this light, DMS could be seen as a catalyst and a template for BIAs, Chambers and municipalities to increase main-street resiliency by helping small businesses evolve from a brick-and-mortar concern into a true bricks-and-clicks enterprise.

**In a short period of time, we have rallied together and accomplished some great things, but much work remains to be done to build greater resiliency across Ontario's small business sector.**

## The work is far from done

**Ultimately, this is a story about resiliency – equipping main street small businesses with the means to survive and thrive on more than just the foot traffic that comes through the door.**

Those images from March and April of main streets turned into ghost towns gave us all a glimpse of a grim future that is in our best interests to avoid.

**Having a strong online presence, building customer engagement through social media, having an e-commerce storefront – these are all part of a larger picture.** Small businesses face other challenges related to red tape, finding employees, and operating costs. To ensure their main streets continue to survive and prosper, stakeholders at every level must continue to respond to all the challenges faced by main street businesses.

**Main Street lies at the very HEART of a what makes a community vibrant:**

**HERITAGE  
ECONOMY  
ARTS  
REVITALIZATION/RECOVERY  
TOURISM**





To ensure communities across Ontario maintain vibrant main streets, small businesses must have the tools and the resources that will enable them to evolve with the times and adapt to crises.

This benefits not just the business owner, but the community as a whole, to ensure main streets everywhere remain vital hubs of employment, tourism, and cultural engagement.

