



Hemlo
Operations



MARATHON BUSINESS RETENTION + EXPANSION PROJECT

FINAL REPORT AND STRATEGY

Prepared by:

Marathon BR+E Leadership Task Force
October 2005



EXECUTIVE SUMMARY

In January 2005, the Town of Marathon in conjunction with funding from the Ontario Ministry of Municipal Affairs and Housing, Marathon Pulp Inc., Hemlo Operations, and the Marathon & District Chamber of Commerce initiated a local Business Retention and Expansion (BR+E) Project as part of the Town's Economic Development Strategy. A thirteen (13) member Leadership Task Force (LTF) comprised of volunteers, co-chaired by Stephane Lorrain and Sandra Svenkeson, and coordinated by the Town of Marathon Economic Development Department, took responsibility for the management of the project. The LTF championed the various stages of the project including identification of business participants, survey management, volunteer recruitment and training, analysis of survey data, and development of a Final Report and Action Plan.

Approximately thirty (30) community volunteers surveyed sixty-five (65) local businesses, representing a diverse cross-section of the Marathon business community. Replies to the business survey and general comments and observations generated a number of issues or potential initiatives requiring action. Realizing that it was not practical from a human resources, time, and resource perspective to manage all of the numerous issues brought forward, the LTF sorted and grouped the issues into twelve (12) priority areas and developed an Action Plan for each area, which has culminated into this Final Report. The twelve (12) priority areas categorized are:

1. Training
2. Business Development
3. Employee Retention
4. Marketing and Advertising
5. Festivals and Events
6. Business Improvement Area
7. Resource-based Opportunities
8. Community Improvement Plan
9. Tourism
10. Transportation
11. Quality of Life Community Living
12. Focus on the Healthcare Sector

The BR+E LTF recommend that through the Community Development Commission (CDC), a Business Development Implementation Team with clearly defined roles and responsibilities be established. Once this team has been established, it would take responsibility for communicating, coordinating, and implementing the identified Action Plans. The LTF urges Council to support this concept in full with the necessary resources to demonstrate to the community that the Town is serious about business involvement in the municipality's economic development activities.

Addressing the initiatives outlined through the Action Plans in this Final Report is an ambitious task and not one that can be taken without proper foresight. Implementing the

Action Plans will require significant time, money, and human resources. However, once completed, these actions will significantly and positively impact our community by:

- Increasing the competitiveness of the local business community;
- Facilitating business development, job creation, and business retention activities; and,
- Building our community both economically and socially.

BR+E is a very important project for the future of Marathon. By addressing the LTF's recommendations; the Town, the business community, and the community-at-large will benefit from the results achieved. The willingness of local businesses to participate in this project is excellent proof that the Marathon business community cares, not only about its future, but also the future of the Town. The participant's thoughts in this Project, volunteered time and resources, and continuing assistance are evidence, that with Council's support, the community's future is bright.

Members of the Leadership Task Force, the many volunteer visitors, and the business community who participated in this Project should be recognized for their efforts. It is imperative that as we move forward with the implementation of this Action Plan, that Council and the community as a whole support this Project.

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1.0 What is Business Retention + Expansion?

Business Retention + Expansion (BR+E) is an internationally recognized community-based, volunteer-driven economic development tool that responds to local business needs and issues. It encourages communities and local businesses to work synergistically with the objective of enhancing local job creation and economic prosperity, and encourages the growth and stability of local business. Developing business and creating jobs are critical to the health and vitality of any community. In a global age when most new jobs come from existing businesses, a welcoming business environment that is conducive to business development is crucial.

Through the activities of a BR+E team comprised of local volunteers and municipal staff, the program strives to improve the competitiveness of local business by evaluating and addressing their needs and concerns through an extensive confidential interview process. This is pivotal to the sustained viability of the community since businesses that stay competitive are more likely to remain and expand in the community. The BR+E program is one tool that can be used to encourage local communities in generating strategic forward-thinking economic development plans, and creates a broad-based community coalition to sustain long-term economic development efforts.

1.1 Program Overview

An experienced group of business volunteers were recruited in the fall of 2004 to serve as the project's Leadership Task Force (LTF) and execute the local program. By July 2005, sixty-five (65) local businesses had been surveyed.

A comprehensive survey tool was used to determine the needs, concerns and issues of the business community. Answers to survey questions were recorded, and then entered into an online database application to determine common issues. In addition, during the interview process in some cases, a business identified an immediate critical issue they had or were experiencing. These issues were labeled as "red flag" issues. Only eight (8) "red flag" issues were identified through the survey process that required immediate follow-up action by the Leadership Task Force.

The survey identified a number of positive qualities about doing business in Marathon, the most frequent being the geographic location of Marathon. The fact there were relatively few "red flag" issues that required immediate attention is encouraging and points to Marathon being a favorable location to operate a business and succeed.

There were a number of issues identified by the survey process, which when addressed, will meet the objectives of the BR+E program. In total, twelve (12) issues were identified. These issues have all been identified with an action plan to address them.

The BR+E program has great potential in keeping the lines of communication open amongst businesses, the Town, and other agencies. Ongoing communication can identify and address challenges early, and opportunities can be explored for feasibility. This will

enhance Marathon's efforts to be a "pro-business" community, attract new businesses, and build a support network to foster more local business development.

The BR+E project was a partnership between the Town of Marathon, Hemlo Operations, Marathon Pulp Inc., Marathon & District Chamber of Commerce, Ministry of Municipal Affairs and Housing (all of whom provided project funding), and the local business community who participated in the process.

1.2 The BR+E Process

The Marathon BR+E program was initiated through a report to Council in April 2004. A funding application was subsequently submitted to the Ministry of Municipal Affairs and Housing Rural Economic Development Program to help cover the costs of administering the project and hiring a coordinator for the project. The application was approved in September 2004, and a BR+E Project Coordinator was hired in December 2004 to administer the BR+E project beginning in January 2005.

A committed group of local business volunteers were recruited in the fall of 2004 to serve as the project's Leadership Task Force (LTF) and execute the local program. The LTF spent the January – February 2005 timeframe to develop a plan to effectively administer the BR+E program. Utilizing a referral model, twenty (20) volunteer visitors were recruited. In addition to ten (10) LTF members, this made for a total thirty (30) project representatives who would be conducting business visits and surveys. All participants in the Project including the LTF, volunteer visitors, and the business interviewees were required to sign a confidentiality agreement to ensure the information gathered was kept in the strictest confidence.

In March 2005, the business interviews began in earnest. All businesses registered within the municipality were originally sent an invitation to participate in the business survey process. When the final surveys had been compiled by July 2005, sixty-five (65) surveys had been completed.

1.3 Volunteers – Leadership Task Force

The following individuals were members of the Marathon BR+E Leadership Task Force:

- Sandra Svenkeson, Co-Chair
- Stephane Lorrain, Co-Chair
- Bob Hancherow
- Al Cresswell
- Rob Vallis
- Kent Cook
- Paulette Miller
- Lori Martineau
- Al Hitzroth
- Jeff Dicaire, Ministry of Northern Development and Mines

- Councillor Iris Sullivan
- Mayor David Bell
- Sharon Hacio, CAO/Clerk – Town of Marathon
- Daryl Skworchinski, Tourism & Economic Development Manager – Town of Marathon
- Madge Richardson/Kyla Grenier, BR+E Project Coordinator – Town of Marathon

1.4 Volunteers – Visitors

In addition to the Leadership Task Force, many individuals from the Marathon business community and community at-large volunteered as visitors including:

Yvanna Richard-Blanch
 Joanne Berube
 Gregg McIlwain
 Don McKay
 Maja Dettbarn
 Irene Simpson-Bench
 Kent Cook
 Melonie St. Jean
 Jackie Rogers
 John Robart
 Sandra Svenkeson
 Al Cresswell
 Rob Vallis
 Iris Sullivan
 Daryl Skworchinski

Gerry Ferguson
 Vinnie Thompson
 Sharon MacKay
 Dyane Ménard
 Bryan Cassie
 Paul Paradis
 Nancy Hitzroth
 Deborah Baker
 Bruce Rousseau
 Dawna Johnson
 David Bell
 Bob Hancherow
 Jeff Dicaire
 Sharon Hacio
 Madge Richardson

2.0 Red Flag Issues

As a function of the survey process, immediate or “red flag” business specific issues were identified by volunteer visitors during interviews with business interviewees.

These issues were subsequently presented to the Leadership Task Force immediately and a plan of action was developed and implemented if necessary to remedy the issues.

The Town’s Economic Development Department has maintained personal contact with businesses that identified “red flag” issues within their business to ensure the proper assistance was received.

Specific “red flag” issues that were identified during the survey process included:

- Business closure due to retirement
- Business closure due to a decrease in sales
- Business downsizing due to retirement
- Business downsizing due to the expiry of service contracts
- Problems with expansion plans
- Problems with financing

2.1 Information and Assistance

Beyond dealing with “red flag” issues, the Leadership Task Force received one hundred and nineteen (119) information requests, and twenty-two (22) requests for assistance. The Town’s Economic Development Department dealt with these items, and mailed out the requested information packages and initiated follow-up consultations with those businesses that requested assistance. Ongoing contact continues with businesses that requested assistance to ensure their issues have been resolved.

3.0 Action Plans

Upon completion of the surveys, all of the data collected was compiled into a readable raw data format. The raw data was then analyzed in detail by the Leadership Task Force. As a result of this analysis, the Leadership Task Force identified twelve (12) potential project areas that need to be addressed or initiated to meet the long-term goals of the project. By addressing the issues and potential projects identified as action items, it will ultimately ensure that positive benefits are received in the community from this BR+E process.

For each of the potential projects identified, an Action Plan was developed to be utilized in achieving the stated project. Each Action Plan proposed includes the following components:

- Definition of the project;
- Action item;
- Actions to be taken;
- Responsibility and partners
- Time frame for completion
 - Short Term = under one (1) year
 - Medium Term = one (1) – two (2) years
 - Long Term = two (2) + years.

1. TRAINING

Action Item

Link available training opportunities and programs with local business and industry.

Survey Results Summary

Businesses were asked to provide input into workforce development. Sixty-four percent (64%) and sixty-two percent (62%) of respondents respectively stated that cost and distance were the two major barriers to employees receiving necessary training. A further fifty-one percent (51%) said that availability of training locally was a barrier.

Actions to be taken	Responsibility/Partners	Time Frame
Encourage local major industry, business and institutions to network and communicate on a regular basis to capitalize on joint training opportunities.	Project Lead: Town of Marathon HR / Marathon Pulp Inc. HR, Hemlo Operations HR	Short
Improve communications and promotion of available training opportunities.	Project Lead: Northern Genesis (NG) / North of Superior Training Board (NSTB), Confederation College (CC), Lakehead University (LU), Town of Marathon (TOM), local school boards	Medium
Create partnerships to capitalize on 'economies of scale' and training opportunities.	Project Lead: local business, local industry, local institutions	Medium
Develop a "train the trainer" program so local stakeholders can deliver training locally.	Project Lead: Town of Marathon HR / Marathon Pulp Inc. HR, Hemlo Operations HR, NSTB, local business	Long

Measurement of Success

Increased training opportunities and programs offered in Marathon.
Increased communications between training providers and organizations seeking training programs.

2. BUSINESS DEVELOPMENT

Action Item

Market the advantages of Marathon to attract new business investment and development.

Survey Results Summary

When asked what factors were barriers to the development of new businesses in the community, forty-three percent (43%) of respondents stated it was because of a lack of proactive new business recruitment.

Actions to be taken	Responsibility/Partners	Time Frame
Perform a Retail Gap Analysis to determine what potential new businesses would be sustainable in Marathon.	Project Lead: TOM / Marathon & District Chamber of Commerce (MDCC)	Medium
Develop a “Marathon” Marketing Strategy with an execution plan and roll-out schedule.	Project Lead: TOM / Community Development Commission (CDC)	Long
Partner with mall owners, commercial land owners and real estate agents to develop a Retail Attraction Strategy to attract new business opportunities identified in the Retail Gap Analysis.	Project Lead: TOM / mall owners, commercial land owners, real estate agents	Long

Measurement of Success

Number of new businesses inquiries.
Number of new businesses relocating to the community.

3. EMPLOYEE RETENTION

Action Item

Develop innovative strategies and information mediums to aid local businesses with employee retention.

Survey Results Summary

When asked if information on employee retention strategies was desired, eighty percent (80%) of businesses responded “yes”. When asked the reasons why employees left their place of business, sixty-three (63%) indicated it was due to factors other than wages, competition and seasonal employment.

Over the next 3 years, eight-five percent (85%) of the businesses in Marathon expect their number of employees will increase or stay the same, indicating that employee retention strategies will be essential to the success of retaining viable businesses in Marathon.

Actions to be taken	Responsibility /Partners	Time Frame
Construct an ‘exit’ interview for all employers to be used upon an employee’s leave, to determine why employee retention is an issue.	Project Lead: Hemlo Operations / Local business and industry	Short
Establish a connection with human resource professionals to develop a seminar on employee retention strategies for Marathon.	Project Lead: TOM / local business and industry	Medium
Partner with educational firms to establish apprenticeships and co-op placements.	Project Lead: TOM, NSTB / local business and industry, local school boards	Long
Develop innovative strategies to retain and/or attract new employees to local businesses.	Project Lead: TOM / NSTB, local business and industry	Medium

Measurement of Success

Survey businesses in one year to see if employee retention has improved, comparing turnover rate from previous year.

4. MARKETING AND ADVERTISING

Action Item

Partner with local business and industry to develop a joint Marketing/Advertising Plan to increase their marketplace presence, sales inquiries and sales volume.

Survey Results Summary

Businesses were asked how local business associations and the Economic Development Department could assist with their business sector; forty-four percent (44%) of those who responded said a marketing seminar and fifty-one percent (51%) indicated a joint marketing/advertising plan would provide assistance.

Actions to be taken	Responsibility/Partners	Time Frame
Partner with local businesses and industry to develop a joint Marketing/Advertising Plan.	Project Lead: TOM, CDC / MDCC, local business and industry	Medium
Form a Steering Committee to facilitate the development and implementation of the Plan.	Project Lead: TOM, CDC, MDCC / local business and industry	Medium

Measurement of Success

A joint Marketing/Advertising Plan is developed in partnership with local business and industry.
Local business and industry see an increase in customer and sales volume.

5. FESTIVALS AND EVENTS

Action Item

To develop, enhance, and promote the existing festivals and events in Marathon to increase their local economic impact.

Survey Results Summary

More and better festivals and events was chosen as the second best way for improving the retail business environment, with sixty-six percent (66%) of businesses indicating that retail and special event coordination would benefit their business.

Actions to be taken	Responsibility/Partners	Time Frame
Promote local Festival and Events to broader areas such as Thunder Bay and Sault Ste Marie.	Project Lead: Local Festival Committees / TOM, local businesses	Short
Conduct a survey of local residents and business as to their thoughts/opinions of festivals or events needed in Marathon.	Project Lead: TOM	Medium
If survey results indicate a new festival is desired, hire an Events Co-ordinator to determine which festival and/or event would be best suited for Marathon, and develop a Plan of Action to implement the event successfully.	Project Lead: TOM / FedNor, NOHFC	Medium

Measurement of Success

Attendance numbers increase at local Festivals and events in comparison to previous years.

Determine the economic impact of local festivals and events in the community.

6. BUSINESS IMPROVEMENT AREA

Action Item

Establish a local Business Improvement Area to revitalize and maintain the local commercial district through marketing, business recruitment, streetscape improvement, and special events.

Survey Results Summary

Fifty-two percent (52%) of businesses surveyed indicated that their business would benefit from physical improvements in public areas.

Actions to be taken	Responsibility/Partners	Time Frame
Research the feasibility of establishing a Business Improvement Area for the local commercial district.	Project Lead: TOM / MDCC, local business and industry	Medium
Establish a Business Improvement Area	Project Lead: TOM / MDCC, local business and industry	Long

Measurement of Success

Business Improvement Area is established.

7. RESOURCE-BASED OPPORTUNITIES

Action Item

Promote the local business development opportunities that are available in the forest bio-products and agricultural industries.

Survey Results Summary

There was no direct question in the business survey that referenced this area, but a number of respondents indicated that local economic diversification is required – that we rely too heavily on our pulp and paper and mining industries.

Actions to be taken	Responsibility/Partners	Time Frame
Host an educational “Forest Bio- Products and Agriculture” conference locally with professional industry speakers to promote the available business opportunities.	Project Lead: TOM / NOHFC, FedNor	Long

Measurement of Success

Conference is successfully hosted.

8. COMMUNITY IMPROVEMENT PLAN

Action Item

To promote and encourage commercial and industrial revitalization.

Survey Results Summary

When asked what factors are barriers to the expansion of existing business in the community, fifty-four percent (54%) of the respondents indicated business taxes. Forty-eight percent (48%) said that their business would benefit from a building improvement loan/grant program, and sixty-two percent (62%) said that a sign improvement loan/grant program would benefit them.

Actions to be taken	Responsibility/Partners	Time Frame
Research the feasibility of implementing a TIERR (Tax Increment Equivalent for Rehabilitation and Redevelopment) program for owners of commercial and residential lands and buildings.	Project Lead: TOM / Ministry of Municipal Affairs and Housing (MMAH)	Long
Research the feasibility of implementing a Façade Improvement Loan and Grant Program and a Signage Improvement Grant Program for owners of commercial and industrial buildings.	Project Lead: TOM / Ministry of Municipal Affairs and Housing (MMAH)	Long

Measurement of Success

Businesses expand/improve their existing building and locations.

9. TOURISM

Action Item

Develop a comprehensive and holistic Tourism Strategy to encourage increased visitation and visitor spending in Marathon.

Survey Results Summary

Forty-three percent (43%) of business respondents said that gateway entrance, roadside advertising, and the visual identity of the area all need improvement, to attract more tourists into town.

Actions to be taken	Responsibility/Partners	Time Frame
Resurrect the Tourism Action Committee to develop a Tourism Strategy for Marathon.	Project Lead: TOM / CDC, local business, Pukaskwa National Park, Neys Provincial Park, NOSTA	Long
Develop the gateway into Marathon to attract more visitors into Marathon.	Project Lead: TOM / FedNor, NOHFC	Medium
Update highway signage to promote Marathon as a great place to visit.	Project Lead: TOM	Medium
Pursue the development of the waterfront to give tourists another reason to visit Marathon.	Project Lead: TOM / FedNor, NOHFC, Ministry of Natural Resources (MNR)	Long

Measurement of Success

Tourism numbers increase from the previous year.

10. TRANSPORTATION

Action Item

Promote Marathon –based on its geographic location and transportation network of road, rail, air and water access – as an offloading and shipping point for cargo.

Survey Results Summary

Seventy-seven percent (77%) of survey respondents stated that transportation costs were either fair or poor; and sixty-six percent (66%) of respondents stated that fair or poor availability of transportation were limiting factors in doing business within the community.

Actions to be taken	Responsibility/Partners	Time Frame
Work with Marathon Pulp Inc. to research the feasibility of utilizing their on-site dock at Peninsula Harbour for cargo offloading and transportation.	Project Lead: MPI / TOM	Long
Market Peninsula Harbour offloading and transportation access as a way to move goods through Canada and the U.S. worldwide.	Project Lead: MPI / TOM, FedNor, NOHFC	Long

Measurement of Success

New business development and new job creation based on an increased cargo industry.

11. QUALITY OF LIFE COMMUNITY LIVING

Action Item

To promote Marathon as a ‘quality of life’ community; and a great place to retire, raise a family, or relocate to.

Survey Results Summary

When asked what Marathon’s best community advantages were, forty (40) respondents stated quality of life or quality of life related advantages.

Actions to be taken	Responsibility/Partners	Time Frame
Create a ‘quality of life’ brand to use in marketing Marathon.	Project Lead: TOM / CDC	Medium
Market Marathon extensively as a ‘quality of life’ community in identified strategic markets.	Project Lead: TOM / CDC	Long
<u>Measurement of Success</u>		
Local population growth fuelled through new resident relocation.		

12. FOCUS ON THE HEALTH CARE SECTOR

Action Item

Recognize our local healthcare sector as a community economic driver and encourage and support the growth of the healthcare sector.

Survey Results Summary

A number of respondents indicated that healthcare was one of the community's greatest advantages and that it was essential in promoting our high quality of life.

Actions to be taken	Responsibility/Partners	Time Frame
Promote and market the high quality healthcare services and healthcare facilities available in Marathon.	Project Lead: Local healthcare service providers.	Medium
Partner the promotion and marketing of healthcare with the promotion and marketing of Marathon as a 'quality of life' community.	Project Lead: TOM / CDC, local healthcare service providers	Medium
Support our local healthcare professionals.	Project Lead: Community-at-large	Short

Measurement of Success

Healthcare grows as a key economic driver for the local community.

4.0 CONCLUSION

This Business Retention and Expansion (BR+E) Action Plan will become a key element of Marathon's local economic development efforts. The objectives of this Project were to:

- Demonstrate and provide community support for local business;
- Solve immediate business concerns;
- Improve communications between the community and local businesses;
- Increase the competitiveness of local businesses;
- Assist businesses with job retention and creation; and,
- Establish and implement strategic Action Plans for local economic development.

While some of these objectives have been achieved through this project to date, many are longer term and will require committed resources from Council, Administration, the business community, and the community as a whole.

This Final Report and Action Plan sets the stage for business development within the community. Local business development will have direct impacts such as job creation, but also indirect impacts such as consumer spending. One has to factor the length of time associated with implementing a plan such as this. Beyond resources, the most important element to the successful implementation of this BR+E Action Plan will be patience. The results from this Plan will not be recognized overnight. Their benefits will be realized through perseverance, commitment, and plain old hard work.

Marathon, which hasn't seen growth since the expansion of the local gold mines, is now poised for future economic growth. A number of exciting initiatives are underway or planned for Marathon, including BR+E, so Marathon is truly set to be recognized as the 'hub of the Northshore'.