



Taking a Homegrown Approach to Economic Development

When the recession of the early 1980s rocked the Canadian economy, the federal government looked for opportunities to promote long-term job creation with a particular focus on creating jobs in small, entrepreneurial settings. From this, a BC-based employment pilot project was born that provided a framework for what would later become Community Futures.

Community Futures is a unique economic development program with a resilient approach to growth and diversification that is as relevant today as it was 25 years ago. Over the past two decades, it has maintained thousands of jobs and leveraged more than \$620 million of investment to strengthen and diversify the economies of hundreds of communities across the province of British Columbia. At the heart of the program is a belief that local communities are best positioned to respond to local problems, and that businesses within the community should take an active role in stimulating the economy.

In keeping with this philosophy, Community Futures Okanagan Similkameen (CFOS) recently launched an economic gardening program to spur recovery in the region after it suffered significant job losses during the 2009 economic downturn. As part of this initiative, over 30 small businesses will benefit from market research generated using Esri's Business Analyst (Canadian Edition).

Keeping It in the Community

The concept of economic gardening is based on research suggesting that a majority of all new jobs in any economy are produced by the small, local businesses of the community. Coined a "homegrown approach", it contrasts with traditional economic development strategies that involve attracting large corporations to communities through tax incentives or other benefits. Conversely, the focus is to help existing growth-oriented businesses become larger by penetrating new markets, refining business models, developing teams and embracing new leadership roles.

"Research shows that attracting larger corporations to smaller communities is often a very expensive task, and locals feel very little connection to the corporation," explains Su Baker, Business Analyst, CFOS. "The concept of eco-

nomc gardening provides tools to empower existing business owners and nurtures a sense of connection that is vital to any small community."

CFOS originally rolled out its economic gardening program to local organic farmers to help grow their business and identify ideal locations to sell their produce. Business Analyst was used to identify areas where there was a high concentration of residents that fit the organic consumer profile – women, 35 years of age or older, in a mid-high income bracket with one or more children in the home.

Local farmers then leveraged this information to target farmer's markets and retailers where they could sell their goods. After completing research for organic producers, the economic gardening concept was expanded to small and medium-sized businesses throughout the Okanagan Similkameen region.

Business Analyst combines powerful geographic analysis techniques with data from top Canadian providers so that organizations can profile existing customers, discover potential customers, analyze market areas and make successful site selection decisions. It includes demographic and segmentation data from Environics Analytics, business data compiled from InfoCanada, Canadian Shopping Centre and Canadian Street Map data.

Businesses can combine this data to define market boundaries based on customer counts or sales figures and calculate market penetration compared to the total population. The tool can also be used to evaluate the performance of store locations compared to competitors and to determine customer proximity to a store location.

"This level of analysis would normally be out of reach for small businesses because it would

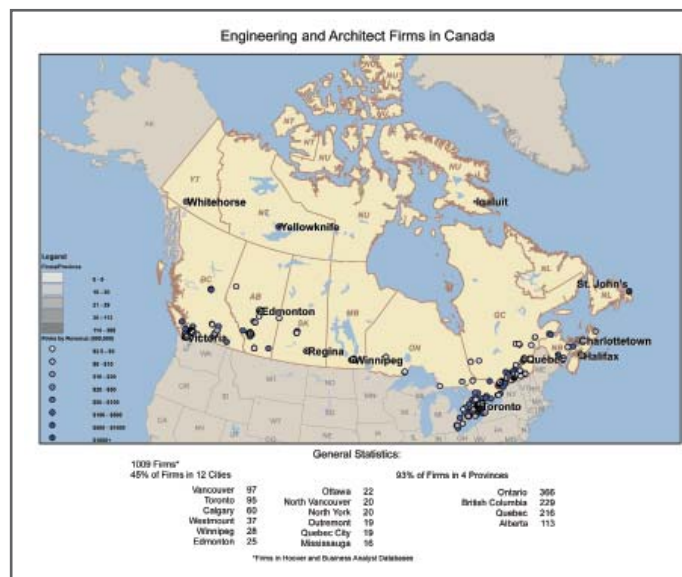
be far too expensive and take weeks to conduct," explains Su Baker. "Research that used to take up to two weeks can now be accomplished in a matter of minutes or hours."

Through CFOS research services, new and existing businesses can gain a deeper understanding of their customers' characteristics, and quickly find more like them. For example, organizations looking to map out a direct mail campaign can use Business Analyst to generate a list of postal codes belonging to their target demographic.

This enables the organization to market their products and services only to those organizations that are most likely to purchase.

Empowering Local Businesses

We Care Canada, the country's largest independently owned homecare service provider, was looking to conduct a direct mail campaign within the South Okanagan and Kootenay regions. To facilitate the mailing, CFOS created a



Potential clients for a laminated beam manufacturer are mapped out across the country.

Leveraging Technology to Grow the Economy

In order to prosper, smaller organizations need to clearly define a growth strategy and competitive advantage, but cost constraints often limit their ability to conduct thorough market research. To overcome this obstacle, CFOS provides up to 35 hours of free research to local businesses through various databases and Esri's Business Analyst.

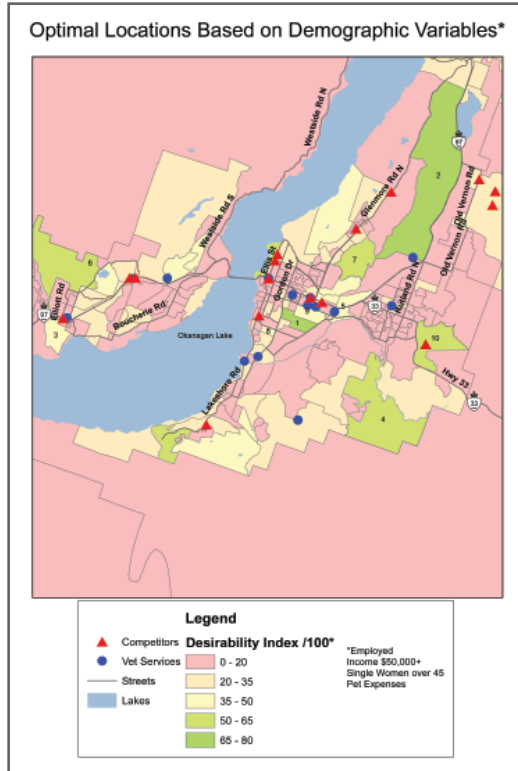
customer profile and mapped out areas where prospective customers resided.

“By leveraging postal codes that belong specifically to our target market, I was able to save time and money by communicating only with those residents that were most likely to be interested in our services,” said Lisa Slizek, Owner, We Care Canada.

“This level of analysis would normally be out of reach for small businesses because it would be far too expensive and take weeks to conduct. Research that used to take up to two weeks can now be accomplished in a matter of minutes or hours.”

**Su Baker,
CFOS**

Another client, Penticton-based Structurlam Products, turned to CFOS for help identifying potential business opportunities. Structurlam manufactures glue laminated beams that have been used in many high profile construction projects including the Art Gallery of Ontario’s façade and six buildings that were constructed for the 2010 Winter Olympics in Vancouver.



Optimal locations to set up a doggy day care are mapped out according to demographic variables.

Their traditional approach to market research involved sifting through historic customer data stored in Excel spreadsheets. This process could

take weeks or months to complete and incurred costs that were equivalent to hiring an additional full-time member of staff. By utilizing Business Analyst, CFOS was able to supply the company with invaluable marketing intelligence within a matter of days.

For example, the company recently investigated the possibility of selling its products to manufacturers of flatbed trucks – a new customer segment. Using Business Analyst’s customer profiling and prospecting capabilities, they queried flatbed truck manufacturers that use wooden truck beds, are located in B.C., Alberta or Saskatchewan and have an annual revenue of \$900,000 or more. Within two days, they were able to leverage vital customer data that would traditionally have taken weeks or months to process.

“We are providing our clients with business intelligence that simply wouldn’t be available without this tool,” said Su Baker. “The ability to visualize target markets, competitors and business opportunities mapped over a specific geographic location puts our local businesses in a very strong position to grow and, subsequently, help jumpstart the economy.”

Looking forward, CFOS will continue to work with local businesses to help develop market research and increase their online presence through search engine optimization and social media. ■