

# SHERIDAN COVID-19 RECOVERY PROJECT

## EXECUTIVE REPORT

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## EXECUTIVE SUMMARY

This report has been prepared to recommend key efforts to be taken by all levels of government to ensure business continuity and economic recovery past the COVID-19 pandemic, with a primary focus on Burlington's economy. The recommendations are supported by data and a detailed analysis of the hardest hit sectors, which will likely be useful to all levels of government.

Baseline analyses use primary and secondary research to examine each of ten hard-hit economic sectors in terms of growth, the number of employers and employees based on various business sizes across Canada, Ontario, and the City of Burlington. A study of the impact of COVID-19 tracks the challenges faced by each sector at the global, national, provincial, and local levels. SWOT analyses were conducted using this data to understand how the strengths and weaknesses of each sector impact its ability to respond to the opportunities and threats posed by the pandemic. These can be found in APPENDIX A: SWOT Analyses. A study of business shifts in each sector highlights how each industry is working to recover in the "new normal".

Research indicates certain sectors have been especially impacted, leading to mass bankruptcies and liquidations due to a reliance on physical presence, and a lack of capital and cash reserves. Certain sectors, including hospitality, tourism, and retail have been hit the hardest, and it is predicted that the fall of many businesses will continue into early 2021. Digitization and other business shifts will likely form major keystones for survival for many of these businesses post-COVID-19.

This report concludes that many businesses can survive and potentially even thrive by taking appropriate precautions to ensure public safety following the norms set by the government and creatively adapting their business operations. Support from the government, research and implementation of innovative measures, and some calculated risks can lead to gradual recovery.

The recommendations address four key themes:

1. Continue supporting small businesses in the Hospitality and Retail sectors who have been hardest hit but are major employers, through financial and regulatory incentives.
2. Continue providing safe work and study environments to encourage economic recovery and minimize recurrence of the Pandemic.
3. Attract and support new small businesses and entrepreneurs who will be key to economic recovery and key employers.
4. Expedite migration to the Digital Business Economy to encourage economic revival and use the pandemic as an opportunity to create long term economic leadership.

## INTRODUCTION

### Background

Canada is currently facing an unprecedented global pandemic due to COVID-19. To limit the spread of the disease, the federal and provincial governments instituted mandatory quarantine measures, closing all non-essential businesses and services, and directing the population at large to stay home like many other countries across the globe. This has resulted in significant government deficits, widespread business closures, and major employee layoffs.

The federal and provincial governments have taken significant and immediate action to mitigate against the worst of the impacts, providing loans and financial relief where possible to prevent an entire shutdown of the economy. As the growth of new cases falls below the rate of recovery, provinces have slowly opened non-essential businesses, with Ontario reopening on a carefully phased basis. However, many businesses continue to suffer due to consumer fears of infection and financial uncertainty, high unemployment rates, and negative impacts along supply chains. The road to recovery is likely to be a long one yet, with many concerned about potential second or third waves until effective vaccinations become widely available. The purpose of this report is to determine where the government can continue to direct their efforts to ensure that both Burlington and Canadian businesses as well as the economy as a whole are as well-protected as possible from further health and financial impacts from COVID-19.

### Objectives of the study

The objective of this report is to determine where each level of government can direct its efforts to ensure business continuity and economic recovery post-COVID-19, with a focus on Burlington's economy. The approach used in building this report is detailed below.

### Scope

The scope of this report is to provide useful information to the government of Burlington, as well as municipal and regional governments in neighbouring cities. The report uses predominantly secondary sources for hard data, as well as thought leadership pieces for soft data and future projections. Any assumptions and recommendations made in this report are therefore made with the latest data available, typically between the end of 2019 and the end of July 2020.

### Approach

To gain a full understanding of the impact of COVID-19 on Burlington's economy and provide meaningful recommendations regarding next steps, the first portion of this summarizes information gathered for each of ten major business sectors selected as especially hard hit by the pandemic, with a specific focus on their role in Burlington. The state of the City's economy immediately prior to the pandemic ("baseline") and the impacts of the pandemic on these sectors have been highlighted. The North American Industry Classification System was used to identify the ten broad economic sectors addressed in this report:

1. Hospitality and Tourism
2. Retail
3. Personal Service & Healthcare Business
4. Culture, Sport & Creative Industries
5. Professional & Technical Services
6. Manufacturers & Major Burlington Employers
7. Real Estate & Land Development
8. Entrepreneurship, Startups & Scaleups
9. Agriculture & Rural Business – Region input
10. Life Sciences

The factual and statistical data used to determine the baseline and impacts of COVID-19 was taken primarily from Statistics Canada and major accounting and analytics firms like McKinsey, EY, and IBIS World at both national and provincial levels. To find data comparable to that available locally for Burlington, the number of businesses across the country and the number of jobs per subsector of each industry were recorded for comparative purposes. At the local level, data from Halton Employment Surveys from 2014-2019, Environics, and the Labour Force Survey were used to determine the value of each industry and subsector to the City of Burlington. As Burlington-specific post-COVID-19 information was largely unavailable at the time of writing this report, national, and provincial industry data related to the impact of the pandemic on each industry were then interpolated to the local level.

Using this data, SWOT analyses were then conducted to compare the relative strengths and weaknesses of each sector with the threats and opportunities provided by the pandemic. These are provided in the APPENDIX at the end of the report. The Summary of Business Shifts section lists common themes in how businesses have responded to the changes caused by COVID-19. The Summary of Findings section details key conclusions drawn from the research. RECOMMENDATIONS for all levels of government were then drawn from these findings and included in two parts: a long-list of short-, medium-, and long-term options as well as a shortlist of high impact recommendations.

## FINDINGS AND ANALYSIS

This section summarizes the findings from research conducted on each of the 10 sectors individually, highlighting first their pre-COVID-19 size and contribution to Burlington’s economy (i.e., the baseline), before identifying as closely as possible the impact of the virus on the sector, particularly in terms of revenues, business survival and employment. This will support the conclusions and recommendations presented later in the report.

### Overview of Burlington

#### Baseline

Burlington’s economic strength is the diversity of its industrial base, mainly achieved by its geography and large industries in southern Ontario, Canada’s largest consumer market. Burlington’s transportation infrastructure includes the port of Hamilton on Burlington Bay, which provides ease in water transportation and revenue generated from that port boosts the GDP of Burlington. The diversity of businesses and the local population allows for sustained growth with regards to the economy. However, the City still has considerable potential for continued growth. Burlington has an experienced workforce of 101,650 people (Statistics Canada, 2019) and contains 7,195 businesses (Statistics Canada, 2020).

Key business sectors in the City, which provide a significant boost to the local economy, include Life and Earth Sciences, Advanced Manufacturing, Information and Communication Technology, Financial and Business Services. Of the ten sectors covered in the scope of this report, however, Retail Trade, Manufacturing and Major Burlington Employers, and Life Sciences account for the largest portion of the City’s businesses and labour force (Figure 1). These three sectors comprise 35.7% of businesses employing 41,606 people. Altogether, the ten sectors covered in this report employ over 75,000 (74%) of the City’s labour force and account for 4,600 (64%) of the City’s businesses.

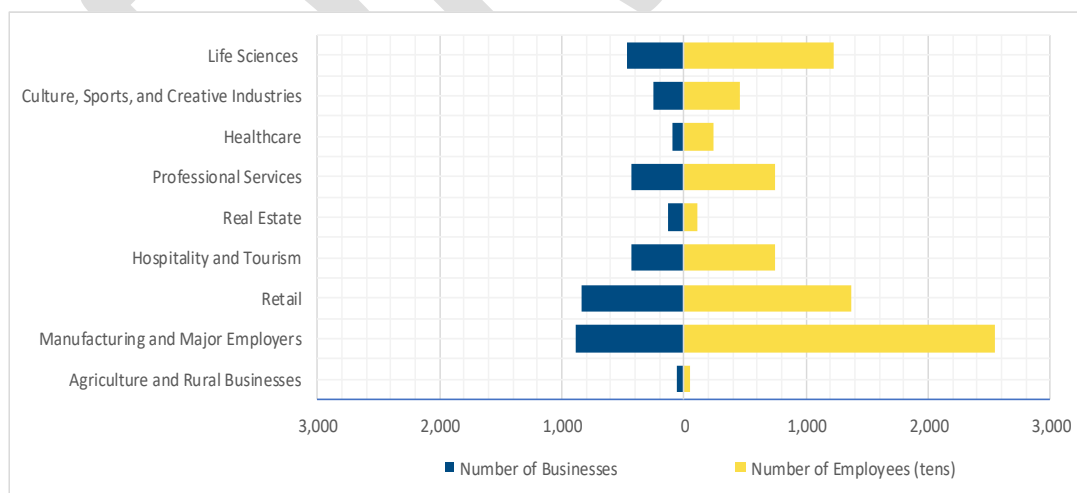


Figure 1: This graph depicts the number of businesses and number of employees hired by each of the ten sectors covered in this report (Halton Region, 2019)

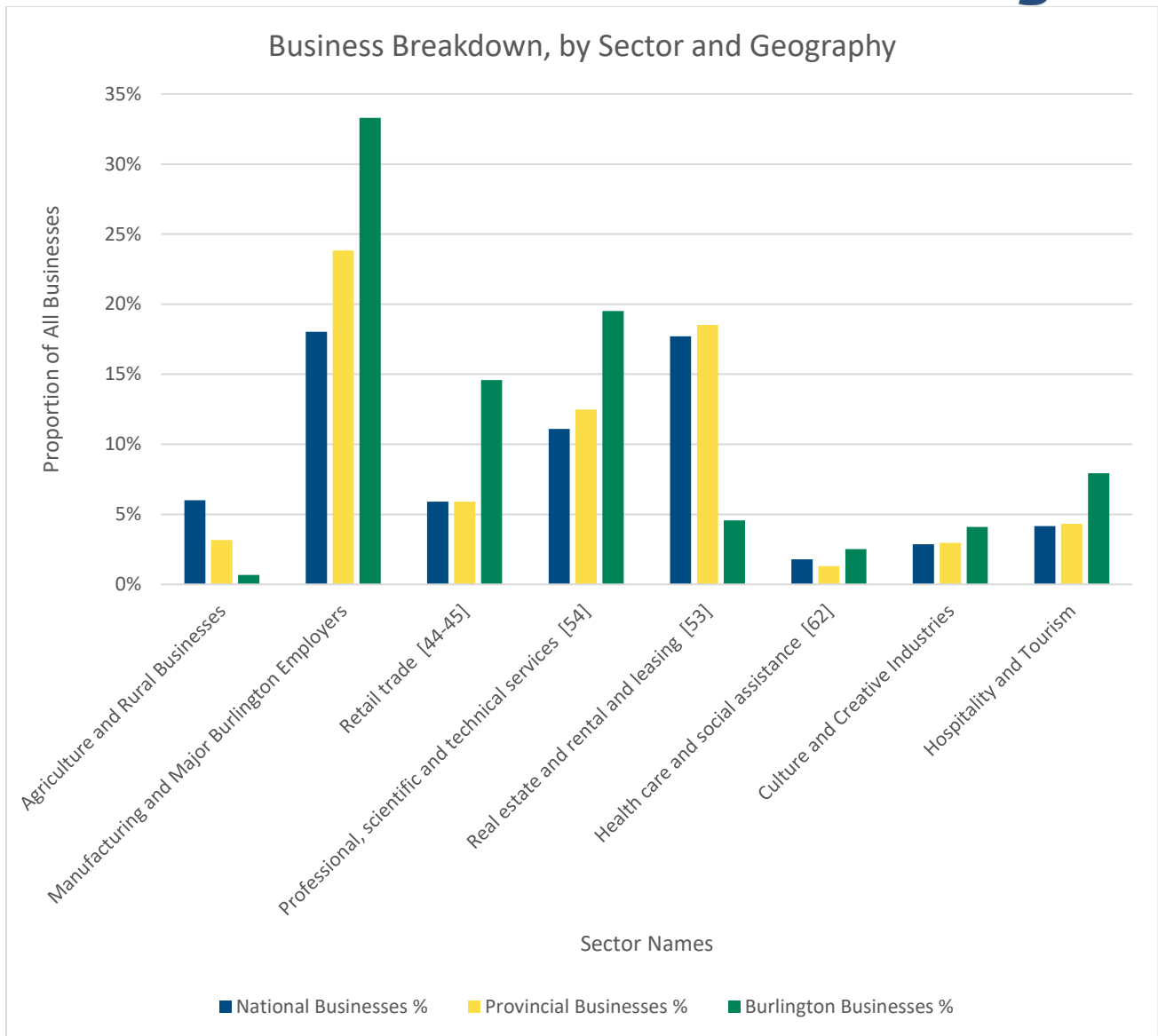


Figure 2: This graph depicts the percentage of all businesses made up by each of the ten sectors under study (Statistics Canada, 2020).

When comparing the number of businesses in these ten sectors to the national and provincial numbers as a proportion of all businesses in the area (see Figure 2), Manufacturing, Professional and Technical Services, the Retail Trade, Hospitality and Tourism and Culture and Creative Industries clearly have a much larger presence than they do at both the national and provincial levels. Conversely, Agricultural and Rural Businesses and Real Estate and Rental Leasing make up a much smaller proportion of businesses in the City compared to national and provincial numbers. All other Industries fall roughly within the same range as provincial and national levels.

In terms of business sizes across all sectors (Figure 3), most (97.6%) of Burlington’s businesses are considered small businesses, with over half of all businesses considered micro

businesses with under 5 employees each. 2.1% of businesses across all industries in the City are medium-sized businesses, and 0.3% are large businesses. The Retail Trade and Hospitality and Tourism sectors have the smallest proportion of micro-sized businesses compared to all other industries, at 32% and 21%, respectively. Conversely, micro businesses account for the largest proportion of businesses in the Professional and Technical Services and Real Estate and Rental Leasing industries. 100% of businesses in these two industries are considered small businesses. Compared to national numbers, Burlington’s businesses fall within the same range of business sizes in each industry.

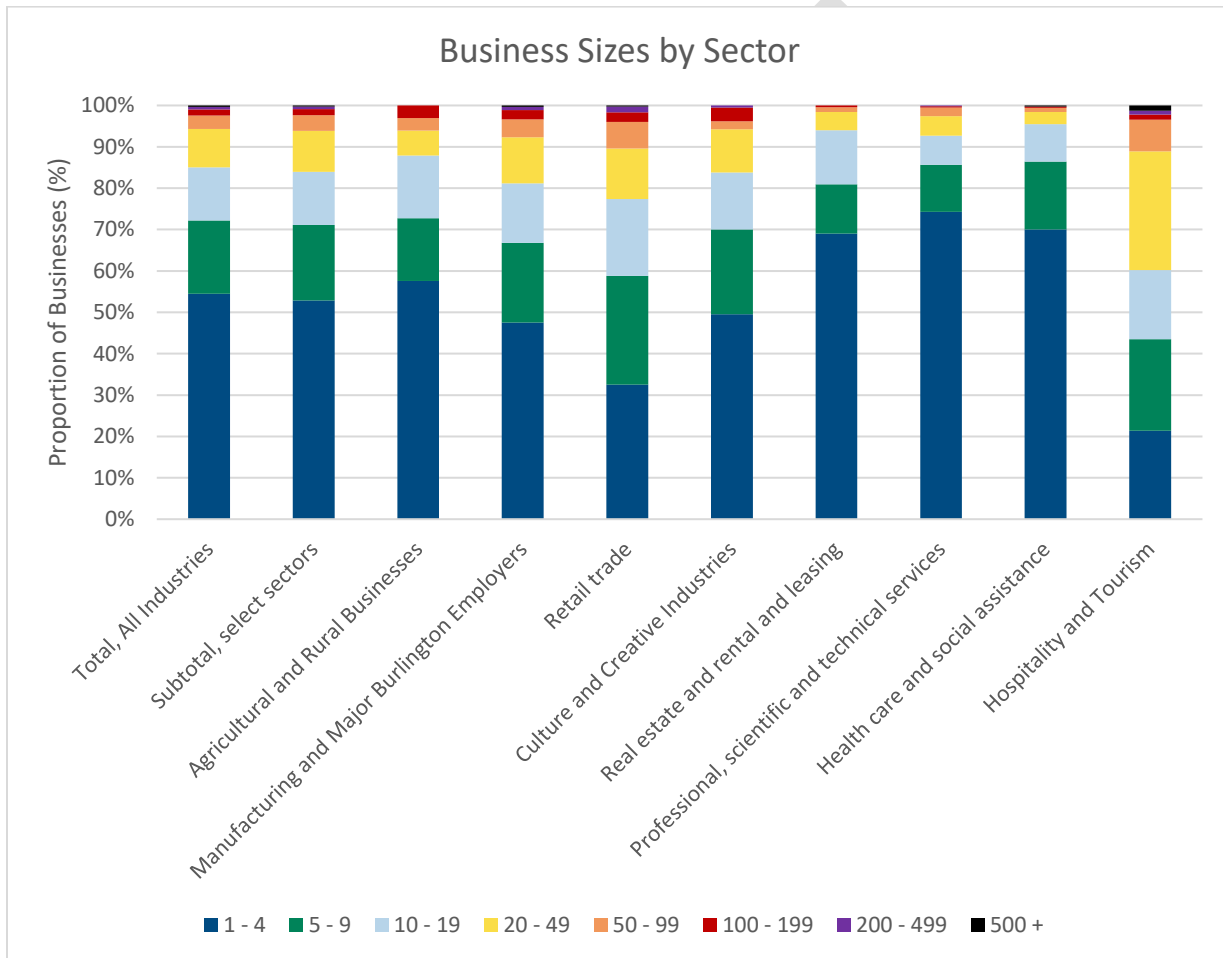


Figure 3: This graph depicts the breakdown of businesses in each sector by business size. Little data is available for business sizes in the Life Sciences industry, so it has not been included here; however, it is assumed it follows a similar pattern to other industries in the City (Statistics Canada, 2020).



## Impact of COVID-19 on Burlington

As per the 2016 census, Burlington's total population is about 183,314 people. As of the end of August, 211 cases of COVID-19 have been reported, including 198 resolved cases, 6 active cases, and 7 deaths (Halton Region, 2020). The recovery rate is over 93%. The rising number of cases seen in Ontario recently has not been echoed in the City, with no new cases. As the number of cases drop, the City has recently entered Phase 3 of reopening. In this section, as Burlington-specific data is largely unavailable, national numbers have been used to estimate the impact on employment and revenues across the sectors under study in the City.

Overall, Burlington's economy has seen similar effects as most areas in the GTA. Major business concerns include lack of cash flow, increased business closures, and lower capacity usage. Those sectors that require high levels of congregation, such as Hospitality and Creative Industries, have been hit hardest. For these businesses especially, there has historically been a lack of online presence which has added additional difficulties as they now try to recover by establishing one. This has been especially difficult for businesses with a strong senior demographic as they are less likely to be online and reachable. The impacts of COVID-19 are already being felt in the community and will continue to be felt long after the state of emergency has ended. It is anticipated that in Burlington alone, just under 2,000 businesses and 29,000 jobs may be directly affected (Bkila, 2020).

The Hospitality and Tourism industry is facing significant financial hardships due to a sharp reduction in travel as well as limitations on in-person capacity usage. Travel planning and hotel businesses have been hit the hardest. Out of the 24 hotels and motels found in Burlington, one has been shut down and the sector is also seeing an unemployment rate increase of around 3.2% (BEDC, 2019; IBISWorld, 2020). The restaurant and nightclub sector has also seen high levels of unemployment, profit losses and business closures, one restaurant in Burlington has completely closed as of June 2020.

Professional and Technical Services have seen minimal impact to their employment numbers, with the largest dip (-3%) in employment seen in April. Employment in this industry has recovered to 99% of January 2020 employment numbers (Statistics Canada, 2020). The industry has also seen a slight decrease in revenue across Ontario and Burlington, at a rate of -8.7% from the previous year (IBISWorld, 2020). However, the impact has not been as strong due to the ability for employees in this sector to easily work from home. While some businesses in this sector, such as law firms, accountants, and advertising companies have seen an increase for their services, others have seen significant reductions. There are 4 IT firms in Burlington which are growing at a negative rate of -6.0%, which is less than FY 2019. Moreover, profits are declining and expected to reach -30.3% in FY 2020 (IBISWorld, 2020).

In the Retail industry, e-commerce trends have been massive, with online retailers seeing their highest-ever recorded sales due to the pandemic. In addition, the sales of groceries, personal care products and PPE has been a huge boost for retailers' revenues. The

unemployment rate in Canada for retailers rose from 6.3% in March 2020 to 13% in June 2020 and in the month of July 2020, it dropped to 12.3% (Statistics Canada, 2020). As per the data, there has been a sharp decrease in unemployment with each phase of reopening. However, due to mass bankruptcies, it is predicted that many stores will continue to close by early 2021, including some international retailers (Ho & Flanagan, 2020).

Personal Services and Healthcare Businesses have also seen a significant impact to unemployment rates, with independent services (clinics, etc.) hit especially hard. As of July, employment numbers are on an upward trend, with employment levels at 96% of January 2020 numbers (Statistics Canada, 2020). Businesses in this sector are increasingly worried about the ongoing expenses for PPE and gaining access to PPE. In addition, 54% of small businesses in the private sector for healthcare say that the additional costs and “new normal” will result in higher prices for all their patients. Only 40% of businesses are currently running at full capacity while 16% of businesses in this sector are considering filing for bankruptcy (CFIB, 2020).

The Arts, Entertainment and Recreation sector within Culture and Creative Industries has been one of the hardest hit, with major cash flow issues due to COVID-19. According to Statistics Canada (2020), looking at the percentage of the Canadian workforce laid off because of COVID-19, 16.6% businesses in this industry laid off 100% of their workforce due to COVID-19. This industry has seen only 55.4% businesses maintaining their entire workforce. This trend is very similar to many of the other industries that require in-person customers, which have seen an average 10-15% unemployment and business closure rates across Burlington and Canada. An inability for businesses to reach full capacity has proven to be the biggest drawback for businesses in this industry and is the main reason for job loss, bankruptcies, and lack of cash flow. Many art institutions, including concert tours, museums, theatres, and symphonies, are closed as restrictions on large public gatherings have been put into place, but are offering online virtual tours and performances to help ease boredom and fear during the pandemic. Small businesses in Burlington have struggled with replicating their businesses online due to a lack of available resources.

The Manufacturing and Major Burlington Employers sector includes the manufacturing, utilities, construction, wholesale trade, and freight transportation, logistics and warehousing. As with other industries, the sharpest drop in employment was seen in April, with most recovering by July. In Manufacturing, negative impacts were felt more strongly in the non-durables subsectors than in durables. Overall, the industry is currently at 94% of January 2020's employment numbers. Utilities is the only industry seeing a continued drop in employment, with July employment at -3% of January numbers. Construction has been one of the slower-to-recover industries, with July employment at -9% of January numbers. Freight transportation currently sits at 95% of January employment numbers. Wholesale Trade has seen one of the

highest jumps in employment recently, with June employment 1% higher than January numbers, though still 2.3% lower than employment seen in June last year (Statistics Canada, 2020). Based on information available in March, it is estimated that at least one business in each of these industries will shut down because of the pandemic in Burlington (Statistics Canada, 2020).

Entrepreneurship, Start-ups, and Scale-ups are strongly focused on job construction, growth of the economy, productivity, and innovation. Due to COVID-19, severe revenue declines were seen in three out of every four start-ups (Takahashi, 2020). Many are currently focused on cost cutting and laying off employees as a source of survival during the pandemic.

The Real Estate and Land Development sector is facing a financial crisis even after the state of emergency ended. Consumer hesitance along with widespread unemployment, decreased consumer spending and a marked decline in consumer confidence, has affected revenue projections. In 2020, industry revenue is projected to decline 4.1% as the various economic challenges created by the coronavirus work their way throughout every facet of Canadian society more broadly (IBISWorld, 2020). Employment in this industry has been one of the slowest to recover after Accommodation and Food Services, with July employment at 89% January numbers (Statistics Canada, 2020).

In the early months of the pandemic, Agriculture and Rural Businesses faced a significant shortage of labourers amidst higher-than-average levels of demand. Farmers faced the problem of continuing their harvest or skipping the 2020 farming season altogether. As a result, food prices have risen. The mining industry has also faced high losses of as much as 20% due to closure of sites or temporary halting of operations (Gaibi, Mussacaleca, & Parkins, 2020). However, minimal impact was seen on employment, with a 2% drop in numbers when comparing June 2020 employment to June 2019 (Statistics Canada, 2020).

Life Sciences companies have been less hard hit than most other industries as their products are still in high demand as essential services. Little data is available on the state of employment in the industry, however. Currently, pharmaceuticals are concentrating on resolving pandemic-related problems of fluctuating demand for medical products and supply chain challenges due to lack of movement (Balfour, 2020).

## Summary of Business Shifts

As businesses across all industries dealt with the repercussions of COVID-19 and the subsequent government restrictions, many withstood the “new normal” by changing their *modus operandi*, and even creating new businesses. As a result, COVID-19 accelerated certain trends that were already underway, including new ways of delivering products and services, re-designing logistics and developing innovative products and services.

Examples of new delivery methods include Instacart delivering groceries from supermarkets, realtors and others providing “virtual guided tours,” City of Toronto’s “curbTO” pick up facilities, and sports and entertainment facilities’ “drive-in” offerings.

Many small businesses that could not survive using their own infrastructures have flocked to facilities including Shopify and Amazon that provide marketing, sales, and logistics for them with no need for capital investment. And most organizations have had to rapidly adopt new collaboration and customer contact technologies (“Zoom” being a widely known example) to enable employees and students to work and conduct business from home.

Arts and entertainment organizations traditionally requiring physical customer presence have been creating innovative services that allow their services to be enjoyed remotely through emerging virtual technologies as well as traditional television.

Continuation of these business trends following the pandemic could have lasting consequences for the nature of demand for real estate (including retail, office and warehouse) and logistics (long distance haulage, local delivery and transshipment), as well as continuing development and delivery of the new technologies facilitating these business shifts.

Government initiatives to address the pandemic have so far focused on minimizing the spread of the virus through the community, while simultaneously alleviating commercial pain to both businesses and employees. While in the short term these are often viewed as a trade-offs (excessive minimizing measures increase economic pain), governments increasingly appear to be recognizing that insufficient efforts at minimizing the spread of infection merely prolong the impacts on business, and the need for even more government expenditures.

Government measures have tended to focus on short-term health and economic emergencies and prevention of recurrence (“second waves”). As these come under control, opportunities are emerging to recognize the underlying structural changes that the pandemic has revealed and encourage their further development for ensuing economic social benefits of their constituents.

Those governments who make the effort to understand these business and social trends will be best positioned to tailor their strategies to attracting, assisting and effectively regulating the types of industry and commerce most likely to bring economic and social benefits to their jurisdictions. Those governments who do not make the effort will foster the next generation’s “rust belt.”

## SUMMARY OF FINDINGS

As a result of COVID-19, those industries which rely on congregations of people have been hardest hit, including retail, hospitality and tourism, and manufacturing. These industries have seen the highest loss of employment, business closures, and loss in demand. Of these industries, two (retail and manufacturing) are among the top three industry employers in the City. Additionally, those who are paid the least and who have the least cash resilience tend to be most employed by businesses requiring significant congregation for revenue generation. Conversely, those least hit include essential food and utility services, life sciences, online retail, and professional services, many of whom can easily work from home. As a result, one of the major issues facing businesses as government restrictions ease is bringing employees back to work, with many citing fear of contamination, lack of childcare, and a better income from CERB and unemployment support as reasons for not returning to work.

By studying business shifts and the new trends emerging as different industries work towards recovering from the negative impacts of COVID-19, it is evident that the pandemic has largely accelerated trends that were already in progress, including a move towards online sales, digitization and automation. These moves address many of the concerns with physical workplaces and trading environments. Many industries are also now working towards regionalizing their supply chains, with some narrowing and others widening their supplier base to manage uncertainty around potential future waves or outbreaks. It is likely that the continued negative impacts on these industries will prevent large capital expenditure and investments which tend to stimulate the economy and create more jobs in the short-term. However, the unique impacts of the pandemic can be utilized as a catalyst in accelerating in accelerating strategic moves that were already happening and bring Canadian communities to the forefront of progress.

## RECOMMENDATIONS

### Recommendations Considered

To help boost COVID-19 recovery, the following recommendations are suggested for all levels of government. They have been divided into short-, medium-, and long-term recommendations based on the amount of time they will likely take to implement. These recommendations have been developed based on the research conducted on individual sectors and business trends, as well as preliminary recommendations from the Burlington Economic Recovery Network (BERN). A summary of these recommendations, the level of government responsible for implementation, sectors targeted, implementation period, and relative costs to implement is available in APPENDIX B: Recommendations

#### Short Term

- Ensure that PPE and work environments are readily available for returning workers and students in preparation for second and third waves. This requires government involvement in procurement and regulations;
- Virtual support: Promote Digital Main Street funding at all levels of government to expedite migration to virtual working environments;
- Education (seminars, workshops, webinars, etc.) of Small Business owners in how to implement Web based capability to market, sell, warehouse, and procure their merchandise and services. Government's role will be to develop forums and networks of consultants, suppliers, and attendees to exchange information, advice and implementation services;
- Encourage Canadians to work in agriculture harvesting to prevent loss of crops.
- Promote and support domestic production and procurement, and ensure inventory is readily available, to ensure strong Canadian supply chains. Canada United has been leveraged to promote support for local businesses in the country, so far;
- Ease and ensure continued access to short-term business loans, to support business survival for the next few months, with low or no interest rates to ensure fear of non-repayment does not turn businesses that need help do not turn away from this support;
- Extend the Emergency Support Fund for the Culture, Sport, and Creative Industries to maintain jobs and support business continuity in one of the hardest hit sectors of the economy.

#### Medium Term:

- Uncertainty prevails due to COVID-19. Changes in business models, such as developing a strong distribution network, will help businesses to grow well after the pandemic;
- Develop a website or mobile application for real estate which enables 360° virtual environments for the potential customers planning to buy or rent property. This will help customers view properties as well as possible and help them make purchasing decisions;

- The federal government can request banks to increase the repayment days for credit card holders, thereby increasing consumer spending capacity;
- Extend the bailout given to beef and hog farmers to grain farmers (corn, wheat, soy) since most of their customers are commercial and industrial clients, and demand is low;
- Create programs to encourage youth to move towards careers in manufacturing and agricultural industries as skilled labour was already a problem pre-COVID-19;
- Incentivize regional supply chains as companies work to build more stable supply chains.

#### Long Term

- Increase immigrant attraction to Burlington so that an innovative foreign skilled workforce can boost the local economy. Immigration, Refugee and Citizenship Canada (IRCC) has planned a municipal nominee program which allows municipalities, chambers of commerce, and local labour councils to sponsor permanent immigrants;
- Simplify the processes for businesses applying for permits etc. through a single point of contact, to encourage small businesses to open, adapt to new conditions and restart operations as easily and quickly as possible;
- Increase investments in sustainable public infrastructure to ensure business continuity, demand, and revenue for construction and many manufacturing industries;
- Reinstate the fund for R&D initiatives (IRAP) - especially for COVID-19/sustainable product/equipment building to help companies innovate as this has been a key success factor for many companies in past downturns;
- Develop a clear Vision of Burlington/Halton's business and social environment after, say five years from now, including the way businesses will be operating, education will be delivered and social lives will be affected by new and emerging technologies whose development and adoption are being expedited rapidly by the Pandemic. Achieve this vision by looking at societies that are already ahead, including Silicon Valley, East Asia and parts of Europe. Some aspects would include:
  - Supply chain management, including all business processes, from online B2C and B2B selling, marketing, payments, inventory management, procurement, transport, etc., to assist local businesses to benefit from inevitable change rather than suffering from it;
  - Attract large companies to set up operations in our region to facilitate much of this transformation, including companies like Shopify who provide a wide range of services that can be purchased easily by small businesses to transform their operations in the new environment. This will likely include:
    - Small manufacturers and tech suppliers selling direct to users rather than through retailers,
    - Retailers using shared warehouse and logistics facilities and cloud-based software to sell their merchandise without retail space,
    - Real Estate owners migrating from shopping malls and retail space to warehouses and related facilities;

- Collaborate with Sheridan College and other institutions to ensure that future businesspeople are highly qualified and ready to work and manage in this environment through appropriate training and co-op programs;
- Develop Training and Information sharing facilities endorsed by the Federal Government to facilitate migration of small business to new business environment.

### Low-Hanging Fruit

Of the points discussed in the long-list above, the following are low hanging fruit, which will likely have the strongest impacts in terms of COVID-19 recovery and can be implemented with relatively few resources:

- Increase domestic manufacturing to create job opportunities in Burlington. The Federal Government has introduced industrial and innovation programs that provide direct support to Canadian companies for large scale projects;
- Burlington municipality can develop an entertainment infrastructure by using amateur dramatics and entertainers from high schools and various other demographic groups at multiple locations in Burlington. This move will attract tourists to Burlington, and hence hospitality and industries related to tourism will get a boost;
- Burlington municipality can help business owners in redesigning the work-place environment for all businesses, such as changing open work culture to a close working environment. This initiative will increase confidence among employees and also motivate them to work from the office and reduce the operating costs of the companies;
- Initiate seminars and practical workshops campaigns in Burlington to shift traditional business to online platforms. Digital Main Street is one of the strongest projects which will provide a helping hand to small and medium-sized businesses to pivot to Internet-based operations;
- The Federal government can help the Burlington government to provide short-term loans to small and medium-sized businesses at minimize interest rates to restart their operation. Retail and restaurants have been hit particularly hard in Burlington;
- The municipal government must organize various workshops for small businesses about financial management and inventory management to enable them to overcome the losses.



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DRAFT

## APPENDIX A: SWOT Analyses

### SWOT Analysis for Burlington

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Public support for safe reopening and building trust with employees and customers</li> <li>Highly skilled workforce through successful training and learning programs. Burlington invests resources in training and development of its employees resulting in a workforce that is not only highly skilled but also motivated to achieve more.</li> <li>Canadian government supports entrepreneurship with various reductions and tax breaks.</li> <li>Despite reductions in the number of businesses in some sectors (e.g., manufacturing reduced by 15% since 2013), the number of jobs was rising across all industries in Burlington before the pandemic</li> <li>Employment levels are recovering, as most industries nationally and provincially have rehired at least half the employees they furloughed</li> <li>Collaboration and interaction with other sectors encourage innovation through the transfer of ideas</li> <li>Sectors/businesses with online presence and direct B2B contact have thrived during this pandemic.</li> </ul>	<ul style="list-style-type: none"> <li>COVID-19 has had an unprecedented in Burlington, with major concerns to cash flows and business volumes.</li> <li>Unclear guidelines on testing and safety measures</li> <li>Difficulty providing confidence to clients –specifically senior demographic</li> <li>Lack of online presence and the quality of the internet connection is the reason why B2C businesses struggled.</li> <li>High customer class concentration can affect the various sectors severely.</li> <li>High competition due to low capital movement will affect various sectors.</li> <li>Technological challenges are one of the main roadblocks that employees faced, resulting from which the virtual environment has failed to perform in the early stages of the pandemic</li> <li>Employees fear of returning to work, which means more safety equipment and measures need to be taken to make them confident that they are safe while working in the company</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>Develop marketing campaigns to support different sectors and gain public trust regarding safety measures being implemented</li> <li>Creation of better working conditions, employee resources and engagement.</li> <li>Implement restructuring in all sectors to better prepare for events like the COVID-19 pandemic and find ways to mitigate and work around.</li> <li>Networking with investors from other communities for best practices</li> <li>Immigration will play a vital role in ensuring innovation and progress</li> <li>All the sectors can utilize this time and develop a business plan to better prepare themselves for future challenges and develop pathways to further maximize their profits</li> <li>Optimize supply and demand for PPE (for e.g., increase beds and testing capacity; increased health precautions will allow more opportunities for business and jobs)</li> </ul>	<ul style="list-style-type: none"> <li>Future planning is difficult at this time, especially as funding is limited</li> <li>Predicted next wave of COVID-19 in the coming months could further impact businesses</li> <li>Uncertainty of the length of the pandemic and safety measures in the province could create financial problems in the long haul</li> <li>Complexity in the government wage/relief programs</li> <li>Fear of returning to work</li> <li>Reduced foreign demand for various Canadian products will impact certain sectors which rely on that demand</li> <li>Government funding halted due to the need of allocating resources to other sectors who have seen big hits from the pandemic</li> <li>Professions such as interior designers, architects, manufacturing, construction, mining and industries requiring high levels of customer congregation are severely affected by the social distancing measures</li> </ul>

## Hospitality and Tourism - SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• A surge in the hospitality/ tourism industry due to globalization, the industry is expected to grow by 3.3% after COVID.</li> <li>• Businesses operating in the hospitality and tourism sector earn high revenues as this industry has contributed \$183 million to Burlington's real GDP in the past.</li> <li>• Businesses in this industry tend to have high employee revenues, which indicates that employees tend to generate more business.</li> <li>• The tourism industry in Ontario is the backbone of the local economy, with small and medium businesses employing over 400,000 people across the province</li> </ul>	<ul style="list-style-type: none"> <li>• Hospitality and tourism sectors are highly vulnerable as they are affected by global pandemic or situations like wars; international borders are closed for foreign tourists. The air transportation and hotel industry tend to suffer most.</li> <li>• Businesses in this industry tend to have high operating costs. During COVID, 89% of companies were closed and had to lay off their employees to reduce their operating costs.</li> <li>• Due to high initial investments, it is not easy for new entrants to start a business in a few subsectors of the hospitality and tourism sector, such as hotels and air transportation.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• 54% of restaurants in Burlington have an opportunity to expand their take-out services.</li> <li>• Under hospitality and tourism sectors, professionalism matters as tourists or customers require professional services and helps to ensure customer retention</li> <li>• Rules and regulations will be lenient as the economy restarts; it is an opportunity to recover losses and generate revenues in that period.</li> <li>• Reduction in income tax for domestic travel.</li> <li>• A fund for residents to boost local spending</li> <li>• Relief on property taxes.</li> <li>• Central and provincial governments are providing subsidies and many other benefits to support businesses, such as CEWS and tax deferrals</li> </ul>	<ul style="list-style-type: none"> <li>• Market share and reasonable financial reserves of giants in the industry create a threat for small businesses operating during COVID-19, as larger business survived more easily and continue to easily generate revenues, whereas many small businesses were forced to shut down</li> <li>• Digital platform can be a threat to the hotel industry as 5.3% of business was generated due to conference room rentals, and due to COVID, all business conferences were shifted to digital platforms</li> <li>• Pandemic threats will keep customers away from their favourite places, such as restaurants, night clubs, and hotels, which will impact business revenues this year</li> </ul>

### Professional and Technical Services - SWOT Analysis:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Employees within the Professional Services sector can easily communicate digitally using various platforms such as Zoom, Microsoft teams for conferences or daily meetings.</li> <li>• 44.5% of the workforce in this industry were shifted to work from home after the pandemic, rather than being laid off</li> <li>• Many have flexibility in returning to work physically as restrictions ease</li> <li>• Many organizations inside the segment were stable when COVID-19 hit, which left them better ready to survive the pandemic.</li> <li>• The main strength of this industry is the employees as they generate business for the companies and firms.</li> <li>• The industry is in the maturity phase, that means the industry has all kind of resources that can be used to generate more business in the future.</li> <li>• Diversity is the main strength of this industry, as this industry has a wide variety of services to offer.</li> <li>• Few sectors in this industry are volatile in nature as even during a global pandemic, they were able to continue with business as usual</li> <li>• Low capital requirements as these businesses do not need heavy machinery and significant infrastructure to enter the market</li> </ul>	<ul style="list-style-type: none"> <li>• Employees are facing difficulty in brainstorming virtually as the virtual environment makes it harder to give a personal touch.</li> <li>• High competition due to low capital requirements to start a new business.</li> <li>• High customer class concentration can affect the business severely.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Employees can maintain work-life balance more efficiently.</li> <li>• Better resources for employees will boost employee morale and will result in better employee engagement.</li> <li>• The creation of better and healthy working conditions to keep employees safe from the virus.</li> <li>• Injustices occurring over these troubled times will likely generate more opportunities for law firms.</li> <li>• Team Burlington can work with sector to help other businesses that are not in positive situation.</li> <li>• Increasing health expenditure will help laboratory testing services to develop their testing capacity, which will boost their profit margin.</li> <li>• Businesses in this sector have the freedom to increase and decrease the prices of their services accordingly.</li> <li>• Government subsidies and tax deferrals will help small businesses to recover from the pandemic, such as CEBA and CEWS.</li> </ul>	<ul style="list-style-type: none"> <li>• Predicted next wave of COVID-19 in the coming months could further affect businesses.</li> <li>• People's fear of COVID-19 means more resources are needed to make them feel confident that the company will keep them safe.</li> <li>• Due to the virus's impact, if one employee gets sick, everyone must be quarantined; thus, it can reduce the workers' work efficiency.</li> <li>• Many sub-sectors in this industry have low revenue growth and can face the negative growth rate in 2020 due to global pandemic</li> <li>• Low-performance drivers can affect these businesses severely in terms of generating revenue.</li> <li>• High risk for the existing businesses due to new entrants.</li> <li>• Uncertainty created to the companies due to the global pandemic.</li> <li>• Professions related to construction such as interior designers; architects can get badly affected due to social distancing measures construction sites are closed.</li> </ul>

## Retail Trade - SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>The Retail trade industry contributes over \$93.9 billion to the Canadian economy as of March 2020, making it the second highest contributor to national GDP</li> <li>It is the city's largest employing industry, hiring nearly 14,000 workers in the City of Burlington</li> <li>Beer, wine and liquor stores are speciality stores which are licensed to sell alcoholic beverages. The stringent regulatory norms will be reduced soon giving more opportunity to smaller retailers in the business</li> <li>Supermarkets and grocery stores in Canada have experienced a modest growth in the last 5 years. In the future, there exists a niche growing market for high-end products such as organic, gluten-free and non-GM products. Increasing sales of these relatively expensive goods would be a primary reason for further rises in revenue growth in this industry</li> <li>Many online retailers (e.g., Amazon, InstaCart, and CornerStore) are adding to their businesses by providing home delivery, mainly delivering food and beverages, and healthcare and wellness products. Through this, they are becoming increasingly profitable compared to regular store outlets.</li> </ul>	<ul style="list-style-type: none"> <li>Retail industry subsectors such as general merchandise stores and furniture and home furnishings stores show a slight negative drop in jobs</li> <li>Beer, Wine and Liquor industry will face high competition due to loosening of the stringent regulatory norms of business. Licensing is the main reason it requires high capital to function. Consumers who purchased low-quality beer have switched their preference to premium alcohol products</li> <li>COVID-19 has caused forecasts to predict a drop in revenue in this industry by 16.8% in 2020. The drastic fall has hampered profit growth</li> <li>Family clothing store e-Tailers have managed to provide a greater ability in exhibiting a wide range of selections and price comparisons online, boosting sales</li> <li>The biggest drawback for this industry is when storefronts cannot operate in emergency situations, they are forced to operate online, and slower/smaller businesses find it difficult to operate this shift in platforms.</li> <li>Mall owners are seeing a declining demand in physical storefronts, and they cannot last long without any running cashflow. This makes things even more difficult for businesses to survive in the current pandemic environment.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>Shop local campaigns initiative started by the Provincial government will help stimulating consumer demand for local businesses. As they are now focused on producing goods in Canada rather than importing it from other countries to rebuild the economy.</li> <li>The COVID-19 drove increased spending on cannabis and alcohol stores which were considered as essentials and showed a sharp rise in sales volumes even when customers shifted from in-store to online orders. This led to an 80% rise in orders compared to pre-pandemic averages</li> <li>COVID-19 has stimulated major concerns among consumers with regards to health and wellness during the pandemic, and this trend is expected to linger for a little longer. It also expanded to the area of mental wellness where demand for healthcare grew immensely</li> <li>An emerging opportunity would be pivoting to online sales which would help maintain the market instability during the pandemic and satisfy the customers by taking utmost safety precautions and generating customer loyalty by serving their needs.</li> </ul>	<ul style="list-style-type: none"> <li>During the lockdown E-Tailers had a free hand in operating by satisfying the required norms of customer contact. Online businesses such as Amazon got a free hand in operating being a threat to other bricks and mortar stores</li> <li>Brick and mortar stores should work towards digitizing their business in order to survive the pandemic.</li> <li>Without government support, SMEs are likely to run out of cash and close permanently, creating an unhealthy industry of only large retailers</li> <li>A major concern among retailers is how prevent their stores from going bankrupt. The Canadian government is currently focused on providing monetary measures to help businesses stabilize in the market. Still, some businesses are facing mass bankruptcy due to their previous debts will soon be going into liquidation.</li> <li>Well-financed competitors have a strong ability to survive this pandemic issue, which makes it even harder for smaller businesses to get through it.</li> <li>Supply chain disruptions have caused a shortage of certain products all over the world due to closing of international borders and government restrictions</li> </ul>

Personal and Healthcare Businesses - SWOT Analysis:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Strong outlook for hospital capacity and focus on healthcare professionals for post COVID-19 era. Population will focus more on being healthy as a result creating and opening more businesses for the healthcare sector</li> <li>• Surge in demand in near future will help create economic growth in this sector</li> <li>• Appointments that have been put off will now be scheduled in the near future, eventually these checkup and appointments will need to happen</li> <li>• More jobs will be created and more opportunities to better prepare for the future</li> <li>• A lot of government funding has already been allocated to the healthcare industry allowing it to stay productive</li> </ul>	<ul style="list-style-type: none"> <li>• Due to COVID-19, an influx of high-cost patients will see a record impact on profit losses for not-for-profits. Surgeries and other high reimbursement cases have been deferred causing many hospitals to remain unprofitable.</li> <li>• Hospitals have seen overall volumes 25-30% lower and ambulatory clinics 50% lower.</li> <li>• Unemployment levels have caused employees who were insured to shift coverage. Millennials are less likely to be getting screened and health care checks due to loss of insurance coverages and jobs.</li> <li>• Payment delays and denials faced by many until jobs are regained</li> <li>• Initial response to COVID showed that organizations face significant barriers data-sharing, privacy management, PPE procurement hurdles, remuneration planning, and professional and licensing requirements</li> <li>• Lack of ecosystem cohesion (decentralized health system)</li> <li>• Increased cost and lower profits due to reduced operational hours and providing PPEs and new cleaning supplies/services</li> <li>• Unclear guidelines on testing and safety measures</li> <li>• Difficulty providing confidence to clients, especially seniors</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Restructure the Canadian healthcare model to better prepare for events like this pandemic and find ways to mitigate profit losses</li> <li>• Finding new creative ways to find how to do business, reallocate staff, resources, and equipment</li> <li>• Optimize supply and demand for PPE (i.e., bed and testing capacity)</li> <li>• Manufacturing companies pivoting to supply PPE</li> <li>• Acceleration of digital technology – expansion of telehealth services and solutions which enable provision of care outside of the hospital</li> <li>• Integration of data sources and inter-operable systems – to prevent the issues caused by decentralized health systems and to enable a synchronized response for any future disease outbreaks</li> <li>• Promote healthy lifestyles and related local services</li> <li>• Form specific sector networks and relationships for knowledge exchange and learning</li> <li>• Marketing campaigns to gain public trust regarding safety measures being implemented</li> </ul>	<ul style="list-style-type: none"> <li>• Uncertainty of the length of this pandemic could create major financial problems if a restructure plan is not implemented.</li> <li>• Misinformation has been a key topic of discussion regarding health during the pandemic, continuous spreading of misinformation can lead to more damage across the nation</li> <li>• Patients are afraid to seek medical attention and are staying at home which would lead to less business</li> <li>• Government funding halted due to the need of allocating resources to other sectors who have seen big hits from the pandemic</li> <li>• Lack of available day care is preventing employees from working</li> </ul>

## Culture and Creative Industries - SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Information/ Cultural and Arts, Entertainment and Recreation Industries had risen 2.1% in GDP over the previous year before COVID-19.</li> <li>• Sector will receive a lot of support as they are being hit the hardest</li> <li>• Online services are seeing major spikes in profit and activity</li> <li>• Realization that change is uncomfortable and focusing on ways to improve business can open up new opportunities, capabilities and experiences that can expand revenues and build resiliency.</li> <li>• As of July 17<sup>th</sup>, 2020, most employees are working in public – there is intrinsic strength this sector brings to overall recovery effort</li> <li>• Non-profits are very efficient in economic impact compared to other profit taking sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Most entertainment and sporting events require fans and in-person viewings. With strict social distancing measures and businesses being forced to lower capacity it makes it more difficult to profit.</li> <li>• This sector has been amongst the hardest hit and seen the most major cash flow issues because of COVID-19.</li> <li>• In Canada as of June 16<sup>th</sup>, 2020 arts and recreation businesses are only 24% fully open with only 6% reporting they are at their normal sales numbers.</li> <li>• With many institutions being fully closed, many employees have been laid off as there is little to no cash flow</li> <li>• Reduced revenues due to reduced capacities</li> <li>• Slow recovery of programs/events due to low consumer confidence</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• The number of jobs from 2014-2018 in the Cultural and Information industry increased by 20% in Burlington</li> <li>• Many art institutions, museums, theatres etc. are closed and are offering online virtual tours and performances to help ease boredom. Finding an interactive way to provide content online could provide a source of cash flow.</li> <li>• A lot of major sporting events have been postponed until next year, developing a plan to create major profits in the following year would be beneficial in mitigating the losses from this year,</li> <li>• Ability to use this time to be forward thinking and develop areas to create innovative methods to increase future profits</li> <li>• Ability to ensure that companies in this sector build strong and sustained relationships now with their audience to ensure they retain their support now and in the future</li> <li>• Potential to discover more ways to make content more accessible</li> <li>• Ways to rethink physical spaces and create a new revenue model based on premium seating sections, division of areas and redesign to make venues accessible.</li> <li>• There are many who are determined to help and make charitable donations frequently</li> <li>• There are talks amongst charities and organizations about a joint charitable fundraising strategy</li> <li>• Conduct surveys on community consumer confidence</li> <li>• Explore more partnerships, collaborations, learn from one another</li> <li>• Opportunity to completely revamp and look at the business to find ways to cut costs and improve in other areas of the business.</li> </ul>	<ul style="list-style-type: none"> <li>• The pandemic, lockdown and social distancing rules continue, forcing this sector to remain closed and or have minimal visitors.</li> <li>• Government funding halted due to the need of allocating resources to other sectors who have seen big hits from the pandemic</li> <li>• Survivability of some organizations are in doubt – if not this year within the next 2-3 years some may find it impossible to adapt</li> </ul>



### Entrepreneurship, Start-ups, and Scaleups - SWOT Analysis:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• This sector is responsible for over 40% job creation in Canada.</li> <li>• Burlington and Halton region have a strong base of investors to support the development and scale-up for start-ups.</li> <li>• Targeted entrepreneurship training, coaching, mentorship and business counselling is readily available. This catalyses the adoption and growth.</li> <li>• Small and medium size business contribute approximately 45% to the Canadian GDP.</li> <li>• In wake of the last crises (2008) tech start-ups and small business played a vital role in reviving the economy.</li> <li>• COVID is largely under control in Canada and various provinces have entered stage 3 for reopening the economy.</li> <li>• Ability of the sector to perform online.</li> <li>• Government grants such as Canadian Emergency Wage Subside (CEWS), Canadian Emergency Business Account (CEBA) are allocated to businesses to retain employees and sustain business activities.</li> </ul>	<ul style="list-style-type: none"> <li>• COVID-19 has had an unprecedented impact on this sector, with major concerns to cash flow and business volumes.</li> <li>• 81% of the business have been negatively impacted which has resulted in nearly 41% of businesses have had to lay off their employees.</li> <li>• Lack of working capital post pandemic.</li> <li>• Small businesses lack online domain internet connectivity is one of the main reasons they fail in Burlington.</li> <li>• Start-ups in Ontario struggle through the commercialization process and launch phase due to lack of experienced executives with deep knowledge of commercialization of products, sales and marketing.</li> <li>• Management and leadership are one of the main reasons this sector fails to succeed.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Small Businesses and firms can utilize this time to develop a business plan. To better prepare themselves for future challenges and develop pathways to further maximize their profits.</li> <li>• Collaboration and interaction with other start-ups and sectors also encourage innovation through transfer of ideas.</li> <li>• Safeguarding pathways to facilitate online services and to have a dedicated online platform for the same.</li> <li>• In order to make sure that small and moderate businesses can reopen safely providing them with PPE will greatly help them.</li> <li>• Disrupting the sector with out-of-the-box ideas is the need of the hour.</li> <li>• Tech startups and small businesses played a vital role in reviving the economy in 2008.</li> <li>• Immigration to attract talent will play a vital role.</li> </ul>	<ul style="list-style-type: none"> <li>• Second/Third wave of the current pandemic.</li> <li>• Uncertainty of the length of the pandemic and safety measures in the province could create financial problems in the long run.</li> <li>• Lack of working capital and online presence as compared to other start-ups will limit the growth rate of small businesses.</li> <li>• Lack of capital and the cost to train new employees will hamper the growth rate for these businesses.</li> <li>• Relapse of the pandemic causing a meltdown to the already bearish economy will be a major concern.</li> <li>• Lack of processes threat ensure the safety of manpower, to ensure they choose to participate physically as compared to online tools.</li> <li>• Complexity in the government wage/relief programs.</li> <li>• Fear of returning to work.</li> </ul>

## Manufacturing and Major Burlington Employers - SWOT Analysis:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• In Canada, the manufacturing industry tends to generate higher revenues than other industries. In Burlington, it accounts for a significantly higher portion of the city's businesses and jobs compared to the national norm</li> <li>• 3 of the industries in this sector (i.e., utilities, transportation, and wholesale trade) also have a much larger presence in Burlington, in terms of number of businesses and employees compared to national numbers. Together, these industries account for 12% of the national GDP</li> <li>• Despite reductions in the number of businesses in some sectors (e.g., manufacturing reduced by 15% since 2013), the number of jobs was rising across all industries in Burlington before the pandemic</li> <li>• With the gradual reopening of the economy, most industries within this sector are recovering. In construction, the total value of building permits rose by about 20% in May, after falling 27% from February to April. May's increase coincided with the easing of restrictions on construction activity in Ontario</li> <li>• Employment levels are also recovering, as most industries nationally and provincially rehired more than half those they furloughed, as of June 2020. Together, these industries account for 21.3% of Canada's labour force pre-COVID – those re-hired account for 18% of the unemployed labour force, indicating these industries did better than others in hiring back staff.</li> <li>• Nearly 25% of all manufacturers managed to pivot, scaling up or retooling to help in the fight against COVID-19</li> <li>• The transportation and warehousing and wholesale trade industries are almost completely detached from exposure to China</li> <li>• Revenue volatility in utilities is considerably low – this is causing many investors to shift to utilities stocks due to COVID-19</li> <li>• As an essential industry, utilities have seen little impact to its revenues so far (-1.8%), despite a reduction in revenues from C&amp;I customers</li> <li>• As manufacturing is an incredibly diverse industry, effects are being felt asymmetrically. While clothing, petroleum, and coal products manufacturing saw steep drops in trade activity, the pharmaceutical and soap manufacturing industries continue to experience heightened demand for products.</li> </ul>	<ul style="list-style-type: none"> <li>• The construction industry is a lot weaker in terms of employment and number of businesses in Burlington (3% and 4% respectively) than it is nationally (nearly 8% and 11%, respectively)</li> <li>• Many subsectors within these industries are heavily reliant on either China or the US for their both raw materials and sales making their revenues a lot more volatile. Despite a rise in exports in May, imports continued to fall, with many industries still facing challenges in sourcing raw materials. While overall exports rose, imports continued to fall in May. Following April's historic decline, imports in May fell an additional 3.9%, reflecting continued supply challenges as various economies around the world were progressively re-opening. Many of these industries have a large presence in Burlington, together accounting for 44% of Burlington's manufacturing businesses, and 3% of all Burlington businesses. They also account for 28% of Burlington's manufacturing jobs, and 5% of all jobs in Burlington</li> <li>• A good portion of those laid off due to COVID-19 have yet to be re-/hired (B73 CFIB, 2020). In Canada as a whole, 10% of employees across all industries were permanently laid off and 48% temporarily laid off, 24% have yet to be re-/hired. In Ontario, 27% of those laid off have yet to be hired back. Impacts were differential across industries</li> <li>• Many small-to-medium businesses are struggling with access to PPE. 18% businesses nationally reported that lack of access to PPE was preventing their businesses from fully reopening/ All industries in this sector reported lower than national and provincial levels of struggle with PPE access, however, with 11-18% PPE assistance requirement rates.</li> <li>• Most industries in this sector already have high capital spending, the weakened operating cash flow due to COVID-19 only adds to this financial stress</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• CEWs proving to be a vital lifeline for Canadian manufacturers (53.2%) – but current programs need to be broadened and extended to ensure recovery will take hold</li> <li>• Given that domestic demand is very weak, governments should also consider rolling out measures to spur consumer spending, especially of Canadian-made products</li> </ul>	<ul style="list-style-type: none"> <li>• Continued lack of demand has impacted revenue across all industries. Manufacturers' sales dropped from 1.1% growth in February to -28.5% drop by April 2020. GDP in the construction industry dropped by 4% between February and April as investments in residential and non-residential construction shrank by 3% and 4%, respectively</li> <li>• Upstream reliance on Chinese imports in the manufacturing sector is restricting construction material availability. Meanwhile, commercial</li> </ul>

<ul style="list-style-type: none"> <li>• Foreign demand requires further stimulation to prevent supply chain impacts as despite no restrictions for commercial shipments between the United States and Canada, the number of trucks entering Canada has fallen amid reduced demand</li> <li>• Businesses are hoping that government subsidizes the cost of PPE, distributes them for free, or in some way incentivizes suppliers to stop raising the price of PPEs. Of these industries, wholesalers were among the top in struggling to find disposable masks (74%) and gloves (40%). Highest needed PPEs include disposable masks, hand sanitizers, and gloves. Additionally, 32% of all businesses in Canada found the most worrying thing about COVID-19 to be access to PPE (higher in Ontario, with 36%).</li> <li>• Utilities can limit capital expenditure by halting/delaying development projects and renewable sector R&amp;D projects and temporarily lessen the negative impacts to cash flow</li> <li>• The manufacturing industry is uniquely posed to pivot their facilities and businesses towards assisting in the production of medical equipment and PPEs, with nearly ¼ of all manufacturers already reporting they have managed to do so to keep revenues coming in</li> </ul>	<p>downstream markets are also expected to experience supply chain disruptions, further hindering demand for industry services. While more consumers took advantage of online shopping due to social distancing, consumer spending declined overall, lowering freight volumes and revenues for industries that support the transportation sector. Transportation and warehousing was one of the worst hit sectors, with 15% loss of employment in May 2020 compared to May 2019 and the worst hit in terms of GDP growth with a drop of 13% in April 2020 compared to March 2020.</p> <ul style="list-style-type: none"> <li>• Subsectors with already volatile revenues will likely face more risk due to supply chain disruptions. For example, as of May 2020, plastic and resin manufacturing's revenues decreased by 4% alone, where it was previously expected to drop by half that amount over 2020. Moreover, the aluminum manufacturing industry's revenue declines have been adjusted from -0.8% to -2.8% due to supply chain interruptions</li> <li>• Continued lack of demand has impacted capacity utilization across all industries. As of May 2020, two-thirds of all manufacturers reported their output is well below normal, with conditions being weakest in the Prairies and Ontario. Nearly half say their output is 25-50% down. Worst-off manufacturing subsectors include transportation equipment manufacturing (80% below normal output), miscellaneous manufacturing (76%), and primary metal manufacturing (69.6%). Conversely, the best off was food manufacturing, with 45% below normal. Additionally, large firms were hit the hardest (75%), but small and medium enterprises were also hit hard (60-70%).</li> <li>• Continued lack of demand both domestically and internationally has impacted employment across all industries. 85% of manufacturers expect employment levels to remain stable (41.5%) or decrease (43.3%) over the next three months. In the transportation industry, employment fell -14% between February and April, and by -3% in May. Some subsectors are seeing growth now, like couriers (14%) and rail transportation, while others are seeing further drops, like school and employee transportation (total 58% decline) and taxis and limousines (more than -20% decline in May)</li> <li>• Operators are pressured to stay in business during times of uncertainty, while relief periods are given to residential and business clients ineligible to pay monthly bills. With key downstream markets experiencing supply chain disruptions and factory closures, the country's industrial capacity utilization is expected to drop, a proxy for operators to track demand for services.</li> <li>• While little impact is currently being seen in the utilities sector in terms of jobs loss and business closures, it is likely that the financial stress to households will drive a spike in late- or non-payments which may take 3-5+ years to recover, as patterns indicate in other countries</li> <li>• Potential second wave would negatively impact seasonal revenues in construction and utilities</li> </ul>
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Real Estate and Land Development - SWOT Analysis:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• The markets are still decent, and people are going to hold out and are not rushing to sell their properties.</li> <li>• For the whole year of 2019, total housing sales were estimated at 486,800 units, up 6.2% from a year earlier.</li> <li>• The national resale housing market outlook continues to be supported by population and employment growth.</li> <li>• The government launched its First-Time Home Buyer Incentive in early-2019 which aims at helping first-time homebuyers reduce their monthly mortgage payments without adding to their financial burdens.</li> <li>• Mortgage interest rates are now stabilizing in Canada.</li> </ul>	<ul style="list-style-type: none"> <li>• The real estate industry's operations were designated as being an essential service in many provinces, many consumers have nevertheless remained hesitant in soliciting the services of industry operators due to their concerns over health and safety.</li> <li>• Real estate industry whose revenue prospects have also been diminished in the short-term due to the coronavirus.</li> <li>• According to the Toronto Regional Real Estate Board, home sales were down 69% in the early April compared to last year</li> <li>• Buyers have decided to hold off on purchases amid uncertain economic conditions.</li> <li>• In Burlington, April saw a 92% decrease in sales. However, median sale price is up by 18% in Burlington.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• The digital age has made it easier for the industry's real estate agents to adopt electronic signing methods, facilitating the final sale and rental of properties without the need to meet in-person for the purpose of signing paperwork.</li> <li>• Some companies and agents have even begun to work with photographers that specialize in piecing together 360-degree home video tours, consequently offering up a new revenue stream for the Photography industry in Canada</li> <li>• Nationwide sales activity is projected to rise strongly by another 8.9% year-over-year in 2020, to 529,900 units, based on CREA's projections.</li> <li>• Technology will continue reshaping the real estate sector, and it will take a greater role in the financial ecosystem, moving into the space left by banks.</li> <li>• For the real estate industry, high demand and tight supply are helping to make it more attractive to develop and invest in purpose-built rental properties in some cities.</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer hesitance in combination with widespread unemployment, decreased consumer spending and a marked decline in consumer confidence.</li> <li>• In 2020, industry revenue is projected to decline 4.1% as the various economic challenges created by COVID work their way throughout every facet of Canadian society more broadly.</li> <li>• Experts are predicting a drop in residential selling prices due to factors including higher unemployment and the slowdown in tourism, which in turn impacts short-term rental business.</li> <li>• Buyers may decide to hold off on their home purchase amid uncertain health and economic conditions, while sellers—having seen what others got for their properties—may be hesitant to accept a lower offer today.</li> <li>• Diminished face-to-face interaction may present challenges for employee engagement and collaboration in the office sector.</li> <li>• Uncertainty surrounding the long-term effects of COVID-19 has paused investment activity as investors postpone marketing efforts, product launches and plans for expanding their portfolios.</li> <li>• Industrial developers cannot obtain permits and they face construction delays, stoppages, and potentially shrinking rates of return.</li> <li>• COVID has affected demand for hospitality properties and short-term leases.</li> <li>• Within commercial office space, the multiyear trend toward densification and open-plan layouts may reverse sharply.</li> <li>• The unlevered enterprise value of real estate assets had fallen 25% or more in most sectors and as much as 37% for lodging.</li> </ul>

### Agricultural and Rural Businesses - SWOT Analysis:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Agricultural employment saw a rise of 1% between May 2019 and May 2020 in Ontario, indicating a growing industry. This is bolstered by data which indicates that the number of farms in both Burlington and Canada have risen in recent years, after steadily falling numbers till 2016</li> <li>• The agricultural sector was less impacted by COVID as it was deemed an essential service compared to most other industries. While revenues have fallen this year for many farmers (61%), the overall trend is still positive</li> <li>• Mining, too, was considered an essential service by many provinces including Ontario. Companies were legally allowed to stay open, although many voluntarily closed.</li> <li>• Most of the animal production subsectors (e.g., beef cattle production, dairy farms) have a low degree of globalization, leaving them relatively insulated from trade restrictions</li> <li>• With an increasing population of young and female farm operators, farmers are showing higher levels of adaptability and resilience through increasingly diversifying their revenue streams through off-farm work and renting land instead of purchasing it</li> </ul>	<ul style="list-style-type: none"> <li>• Farmers and the secondary agricultural sector rely heavily on temporary foreign workers (TFW) especially for planting and harvesting crops. As of 2019, over 60,000 TFW were employed by farmers, with an additional 4,000 employed in food processing and transportation. Due to COVID-19, not only has the number of TFW entering Canada reduced, limiting harvest capacity, but it has also becoming much more expensive for farmers to hire them due to PPE needs</li> <li>• Most farms and all mines require high capital expenditure – the uncertainty caused by COVID-19 has led many to reconsider whether to invest the hundreds of millions of dollars necessary to begin planting/mining</li> <li>• Despite being impacted less than almost all other industries, many farmers are being negatively impacted due to reduced cashflow (for e.g., due to maintaining livestock for longer than planned), with 16% of Ontario farmers reporting they were facing struggles that would prevent them from paying their bills</li> <li>• While an essential service, mining has seen a significant decline in employment as a highly globalized industry dependent on commodity price</li> <li>• Mining is almost entirely dependent on other businesses for demand, negative impacts downstream further damage this sector</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Domestic demand for imported food likely to drop as prices rise for Canadians, providing an opportunity for higher domestic demand for locally grown foods</li> <li>• TFW shortage impact may be dampened through the employment of students who have lost summer jobs or internships – not only would this benefit farmers now, it may also encourage more interest in farming as a profession for young Canadians who have declining interest in the sector over the years</li> <li>• Canada is prioritizing applications of TFWs specifically for occupations in the agriculture and food processing industry through the Global Skills Strategy. Applications are usually processed in 2 weeks, but as TFWs are so critical to our food supply, the government is trying to process the applications at a faster rate</li> <li>• Several small farms have found success by digitizing their products and offering weekly deliveries directly to residential customers</li> <li>• The government has already stepped in to aid farmers, with significant industry-specific support, including Farm Credit Canada and the Agri-food Workplace Protection Program, along with general support programs like CEWS</li> <li>• Gold prices are rising in Canada as investors shy away from risky assets. In Canada, they recently reached their highest level since 2013. Experts expect a flurry of financing activity as well as M&amp;As as conditions improve</li> <li>• In 2019, the federal government invested nearly \$50 million into CAAIN to help build AI, robotics, and precision agriculture technology to help farmers make their farms more efficient and help the industry continue to grow</li> </ul>	<ul style="list-style-type: none"> <li>• Disruptions to supply chain is harming some farmers, especially meat producers. Additionally, it is likely beef cattle production subsector will be one of the hardest hit in the industry as the majority of its demand came from dine-in restaurants</li> <li>• Reduced foreign demand for Canadian agricultural products will impact sectors relying on that demand (e.g., soybean farming), reducing revenues considerably</li> <li>• Loss of demand from the hospitality sector caused some farmers to consider not planting a 2020 crop altogether</li> <li>• Although there is little evidence to indicate transmission among animals or between animals and humans, the concerns do exist, and this area will need continued monitoring</li> <li>• Despite the opportunity of hiring local workers to replace TFW, this may not be a viable option due to the lack of expertise of new Canadian workers – this can jeopardize the seeding and harvesting time for farmers. Additionally, local hiring did not increase in New Brunswick despite a complete ban of TFW entry there</li> <li>• As many provinces deemed mining an essential service, work continued in many mines. However, due to the close proximity required of workers, there have been several outbreaks disproportionately impacting Indigenous workers</li> <li>• Reduction in demand is reducing cash flow for many mining companies, putting operators in a difficult spot since they are still required by contract to make cash payments to vendors despite the suspension of some exploration expenditures</li> </ul>

### Life Sciences - SWOT Analysis:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• The life science sector is a significant driver of medical innovations that improve healthcare delivery and patient care.</li> <li>• Life science sector generates approximately \$56.8 billion to Ontario's GDP, making it a significant economic driver in the province.</li> <li>• This sector contributes an estimate of \$8.8 billion in federal, provincial, and municipal taxes.</li> <li>• Wages in the life science sector are 26.5% higher as compared to other provincial average.</li> <li>• A government funding allocated in the R&amp;D department for vaccines for covid-19 which further maximizes its productivity.</li> <li>• This sector has the capacity and ability to adapt for the demand of new drugs.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of investments in the R&amp;D can hinder innovations and the commercialization of new products and services.</li> <li>• Without a track record of commercial success, Ontario's life science sector struggles to attract investors.</li> <li>• Lack of access to capital.</li> <li>• The life science segment represents less than 5% of all equity raised on the TSX/TSXV exchanges in 2019.</li> <li>• In wake of the current pandemic, If Ontario's science graduates are not successful in finding employment and integrating into the workforce in Ontario, they might seek opportunities in other provinces or sectors.</li> <li>• This sector is dependent on personal interaction.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Virtualize/digitize the entire engagement and stabilize operations.</li> <li>• Optimum use of the government funding's for the development of new drugs will be beneficial to attract new investors.</li> <li>• Canadian companies can look to market such as China, India and Brazil to partner on co-development, and gain greater market access and distribution, and to offer a wider range of contract services.</li> <li>• Canadian Generic companies can focus towards becoming a leader in the SEBs space – in particular, developing and producing high cost, Low volume SEBs</li> <li>• Increasing demand for PPE.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholders have identified access to capital as the main issues for the industry.</li> <li>• Low market growth along with unfavorable policy framework ranging from regulatory approval process to market access and IP protection can make Canada a less attractive location for commercial investment.</li> <li>• Lack of private sector investment:             <ul style="list-style-type: none"> <li>○ Discourages entrepreneurs from considering entering in the life science sector.</li> <li>○ Limits the capabilities of existing start-ups and small and medium size firms.</li> </ul> </li> <li>• Managerial skills are often mentioned as a critical talent gap faced by the life science sector.</li> <li>• Difficulties seen in providing assurance to the clients.</li> </ul>

## APPENDIX B: Recommendations

Recommendation	Level of Government			Implementation Period			Sector	Relative Cost to Implement
	Municipal	Provincial	Federal	Short-Term	Medium-Term	Long-Term		
PPE provision	X	X	X	X			All	\$\$\$
Virtual support	X	X		X			All	\$\$
Education	X			X			All	\$
Entertainment infrastructure	X			X			Culture, Sport, & Creative Industries; Hospitality & Tourism	\$
Workplace redesign	X	X		X			All	\$\$
Encourage careers in agriculture		X	X	X	X		Agriculture	\$
Support localized supply chains		X	X	X	X		All (especially Manufacturing)	\$
Continued access to loans		X	X	X			All	\$\$\$
Extend Emergency Support Fund			X	X			Culture, Sport, & Creative Industries	\$\$
Business model changes		X	X		X		All	\$\$
Real estate app		X			X		Real Estate	\$\$
Increase consumer spending capacity			X		X		All	\$\$
Extend farmer bailout			X				Agriculture	\$\$
Encourage youth employment in key sectors		X	X		X		Agriculture; Manufacturing	\$
Increase immigrant attraction	X				X		All	\$
Simplify business processes	X	X				X	All	\$
Sustainable public infrastructure	X	X	X			X	All (esp. Construction)	\$\$\$
Reinstate IRAP			X			X	All (esp. Manufacturing)	\$\$
Develop clear vision	X					X	All	\$\$