

# Richmond Business Development Program 2013 Report

Connect with the City of Richmond's Economic Development Office.

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## Introduction to the City of Richmond Business Development Program

The City of Richmond is committed to providing a high level of service to our business community. In 2013 the Economic Development Office launched a business development initiative which serves to:

- Provide a dedicated point of contact for business clients to access City programs, services and information.
- Facilitate municipal permits and processes related to business development.
- Identify solutions to concerns faced by the business community.
- Identify new opportunities for business development in Richmond.
- Measure and monitor local business and sector performance and gather business intelligence for areas of potential improvement to the Richmond business environment.
- Proactively engage the Richmond business community to build lasting relationships and partnerships.
- Promote Richmond as a destination for business and investment, and a talented workforce.

The basis for the Richmond Business Development Program is a survey which asks questions on companies' operations, markets, workforce, future plans and prospects, as well as constraints to growth.

Data is used in overall policy and program development, as well as to identify opportunities to provide support to businesses either undertaking expansion plans or which are at risk of leaving the community.

This report provides a summary of the outcomes from the 2013 program and an analysis of trends, opportunities and concerns faced by the Richmond business community. The results will provide a basis for economic development initiatives and programs throughout 2014.

The final page of the Richmond Business Development Report lists City services available to support existing and prospective businesses in our community.



### Awards

Richmond ranked in the top 10 by fDi Magazine in three categories, including 3<sup>rd</sup> overall among small cities in the Americas.

## 2013 Business Development Program Profile

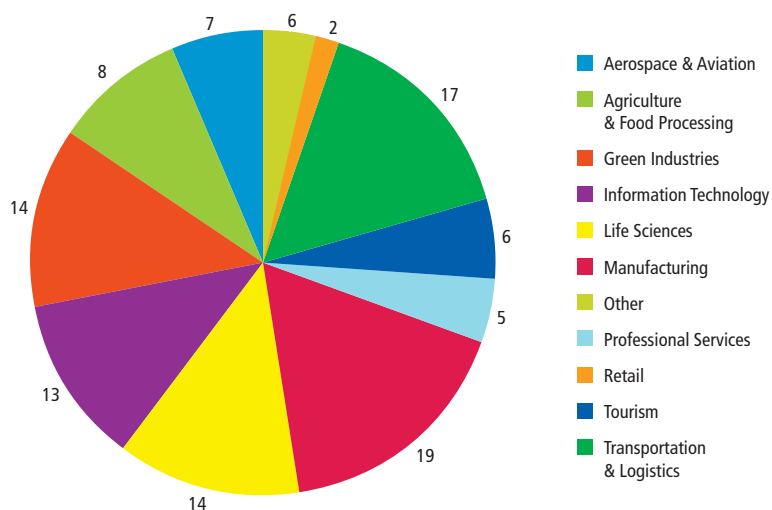
### Companies Contacted

The companies selected for participation in the Richmond Business Development Program ("Program") are locally established economic drivers spanning the sectors representative of Richmond's economy. In 2013, 111 companies were contacted as part of the Program.

### Participating Companies

Of the 111 businesses contacted in 2013, 48 completed the survey. The majority of responses came from the information technology, green industries, manufacturing, agriculture & food processing, and aerospace & aviation sectors. 76% of the businesses were company headquarters with the remainder representing regional head offices, satellite offices or other types of facilities.

Companies Contacted by Sector



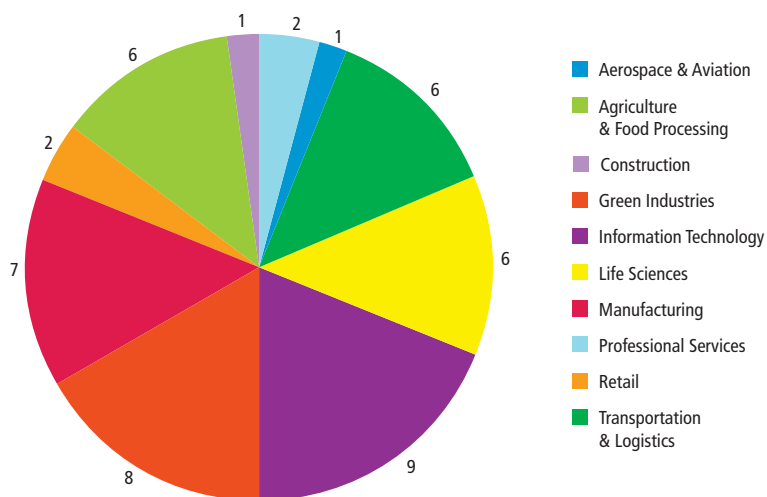
### Profile of Companies Contacted

Number of businesses contacted in 2013: **111**  
 Average size of facility: **51,938 square feet**  
 Average number of employees: **123**

### Profile of Participants

Number of businesses who participated in 2013: **48**  
 Response Rate: **43%**  
 Average size of facility: **72,855 square feet**  
 Average number of employees: **195**  
 Average revenue reported: **\$81,218,216**

Surveys Taken by Sector



## What Businesses Said

The following pages highlight trends, opportunities and concerns faced by the Richmond business community, as reported through the surveys completed in 2013.

### Workforce Trends

Of the businesses surveyed, 18% reported a decrease in workforce over the past two years, while 14% reported no change. The majority, at 65%, reported an increase in number of employees over the past two years.

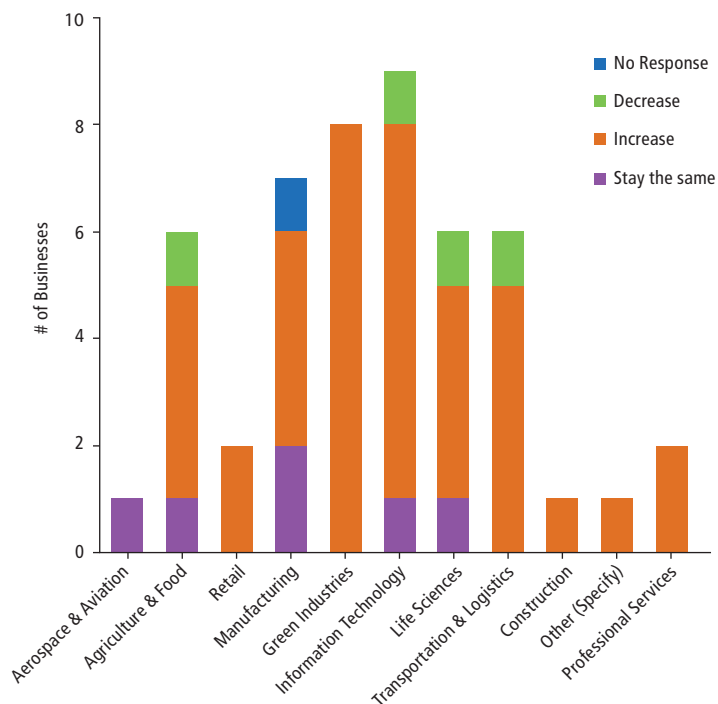
At 78%, a large share of the businesses surveyed predicted an increase in their workforce over the next two years; only 8% expected to cut back on the number of employees. 2% of respondents did not answer questions related to workforce trends.

### Employee Concerns

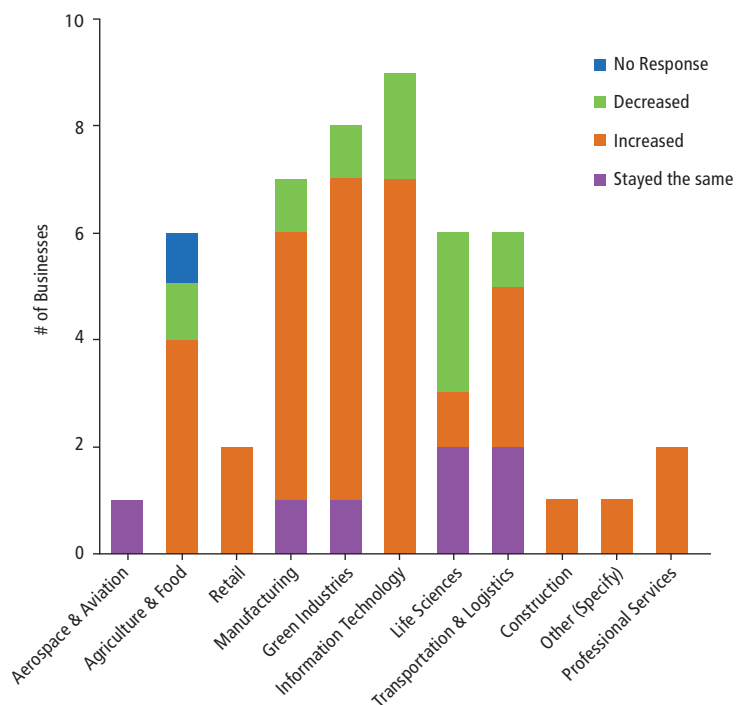
31 companies representing 4,275 employees cited commute and transportation to be their employees' top concern. Businesses reported the following challenges to their ability to recruit suitable talent, ranked in order of importance:

1. Commute/Transportation  
(31 companies with 4,275 employees)
2. Cost of Living  
(29 companies with 3,938 employees)
3. Child Care Availability  
(12 companies with 2,722 employees)
4. Housing Availability  
(9 companies with 1,437 employees)

### Workforce Change – Next Two Years



### Workforce Change – Past Two Years



### Expansion Plans

88% of the businesses surveyed indicated they planned to expand their operation in the next two years; 10% did not plan to expand and 2% did not reply. The accompanying chart demonstrates the most common forms of expansion with the top ones listed below.

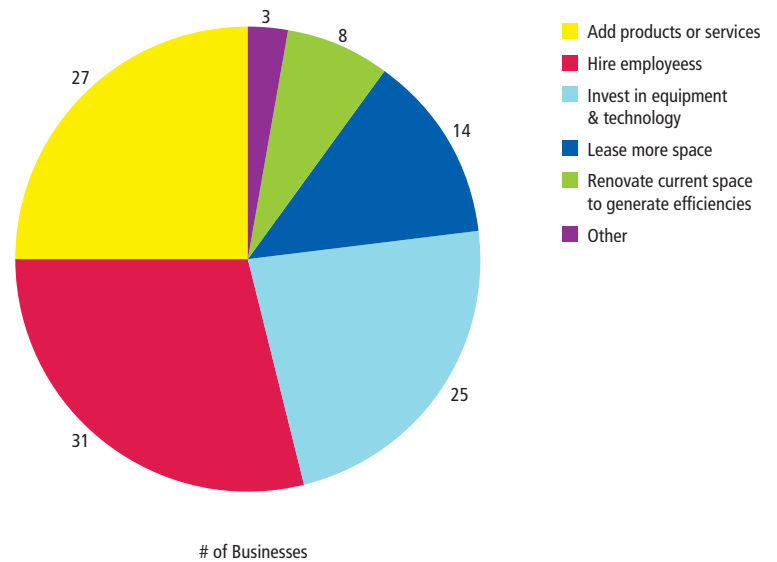
1. Hire Employees (31)
2. Add Products or Services (27)
3. Invest in Equipment & Technology (25)
4. Lease more Space (14)

90% of businesses with plans to expand in the next two years anticipated facing constraints when executing these plans. Lack of skilled workers, lack and/or affordability of space & facilities, and financing were listed as the top constraints.

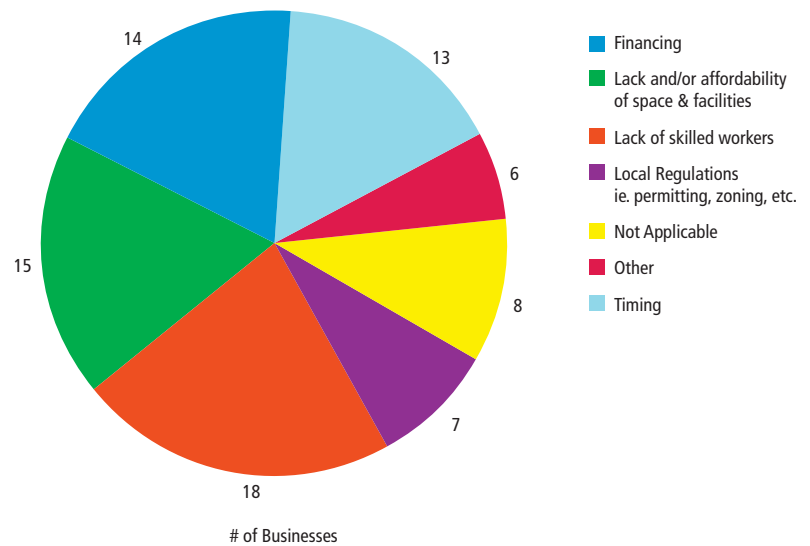
### Business Location

Of the businesses who participated in the 2013 Program, 35% were considering a location change in the next two years because their facilities were too small, too large, or otherwise unsuitable. Most of these (15 businesses) were searching for a new facility elsewhere in Richmond, with 7 companies also exploring other options in Metro Vancouver. 5 companies did not specify which community(ies) they were considering for a new location.

Expansion Plans – Next Two Years



Constraints to Expansion



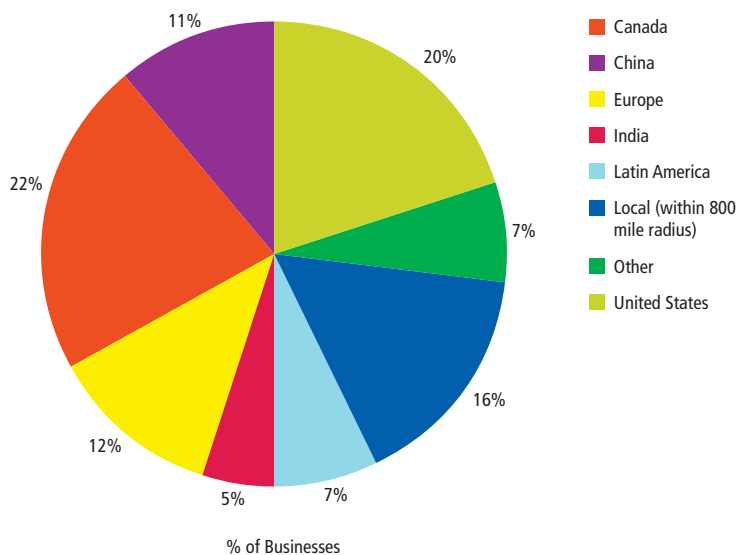
### Sales & Markets

Of the businesses surveyed, 70% reported an increase in sales over the past two years; 10%, a decrease and 20%, no change.

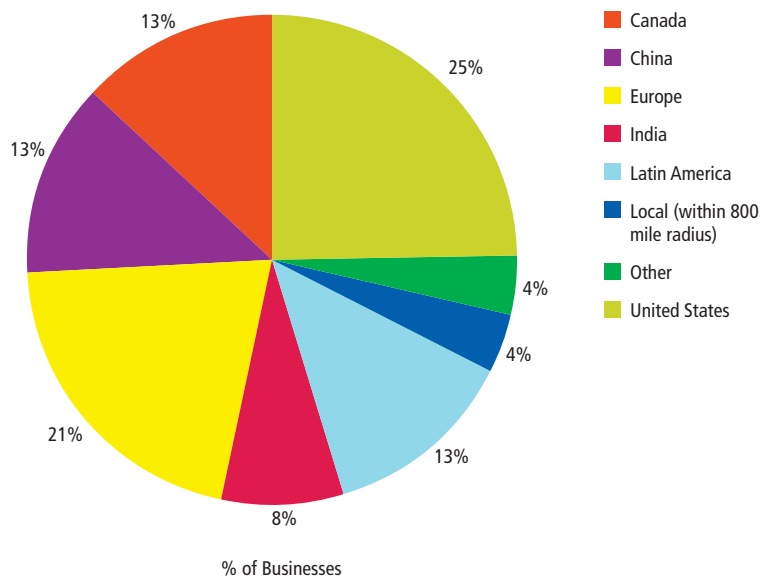
The businesses surveyed currently sell most of their products and services to markets in BC, Canada and the US, for a combined total of 58%. In the next two years, respondents anticipate the most significant new export opportunities to be for markets in Latin America and Europe. Sales in established markets in BC, Canada and the US are predicted to remain strong, representing 61%. Only 4% of businesses predicted a growth in local sales over the next two years.

Richmond companies expect to continue utilizing their advantageous position along the Asia Pacific Gateway to sell their products and services to markets in Asia. Businesses reported that Asian markets (notably China and India) represent 16% of their sales now and expect they will represent 21% of new export opportunities in the next two years.

### Current Markets



### Growth by Market



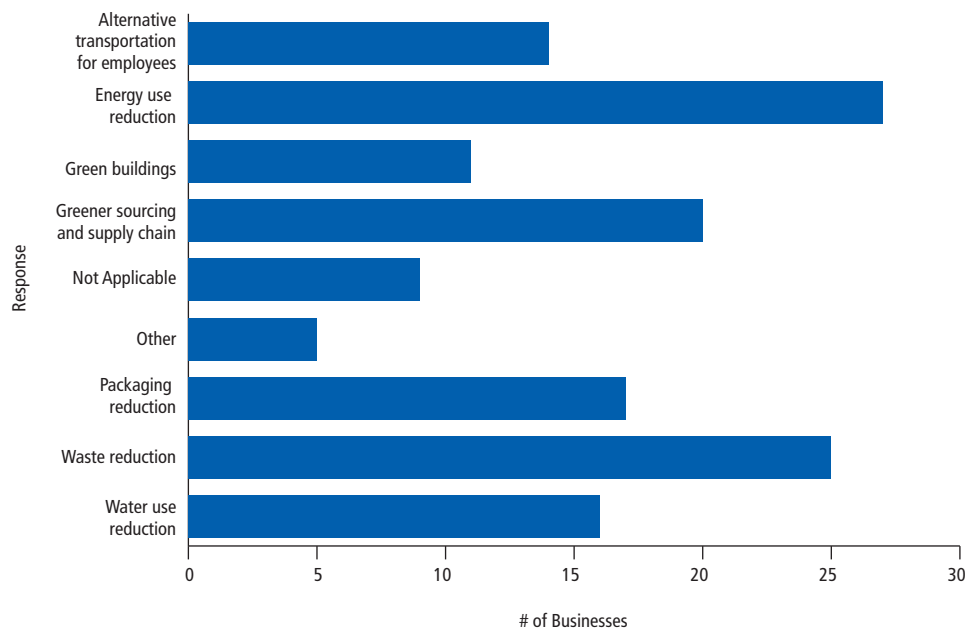
### Corporate Social Responsibility

Businesses' top plans for future sustainability initiatives remain consistent with current measures taken. Energy use reduction, green sourcing and supply chains, packaging reduction and waste reduction are the top measures taken by businesses to become more environmentally sustainable. Alternative transportation for employees and green buildings are areas attracting increased attention and potential future investment by Richmond companies.

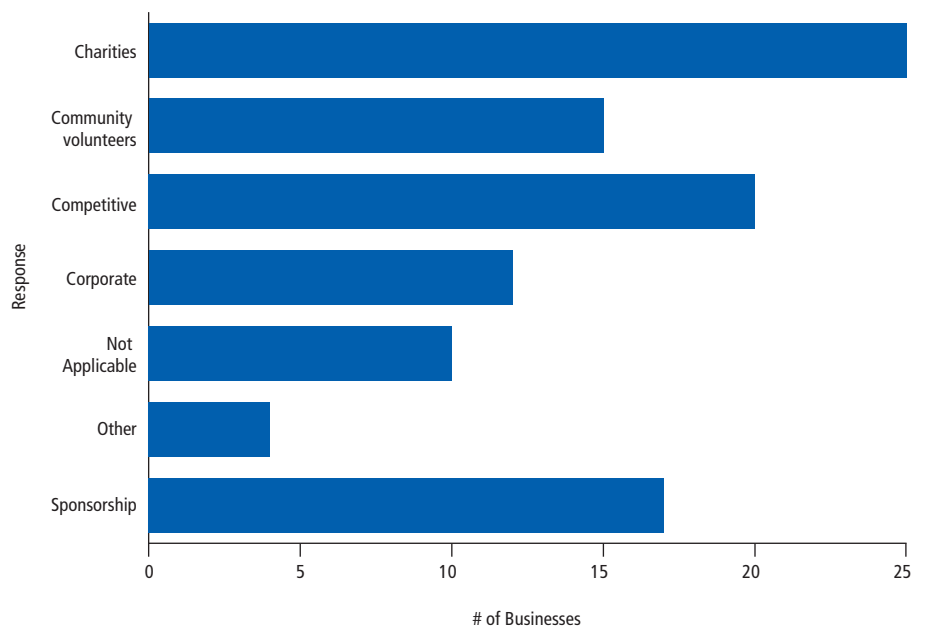
Charities, community volunteerism, competitive wages and sponsorship were the top socially responsible measures taken by businesses surveyed. In the next two years, the same measures were listed as priorities, with more businesses planning to increase their corporate social responsibility reporting.

In 2013 the City of Richmond partnered with 26 companies to deliver community events and programs such as the Children's Arts Festival, Earth Day Youth Summit, U-ROC Youth Awards, Hockey Day, Ships to Shore and the Maritime Festival. The business community collectively contributed nearly \$350,000 towards these initiatives.

### Sustainability Plans – Next Two Years



### Social Plans – Next Two Years





## Businesses Served

In 2013, 83% of economic development opportunities in Richmond were generated from existing businesses. The majority of efforts involved helping businesses expand their current operations, or helping to retain them in our community. Business attraction and start-up inquiries represented 17% of the Program's work. This supports the common statistic that the majority of new job creation is generated from existing businesses.

In 2013, the Economic Development Office worked with 46 companies to establish or expand their operations in Richmond. Support was also provided to those businesses at risk of closing or leaving the community. 38 of these businesses were identified through the City's outreach efforts. The remaining originated from internal and external referrals, as well as contact made through the City's business information portal, [www.businessinrichmond.ca](http://www.businessinrichmond.ca).

### Areas of Concern (# of businesses)

While undertaking expansion or relocation plans, businesses cited the following top areas of concern:

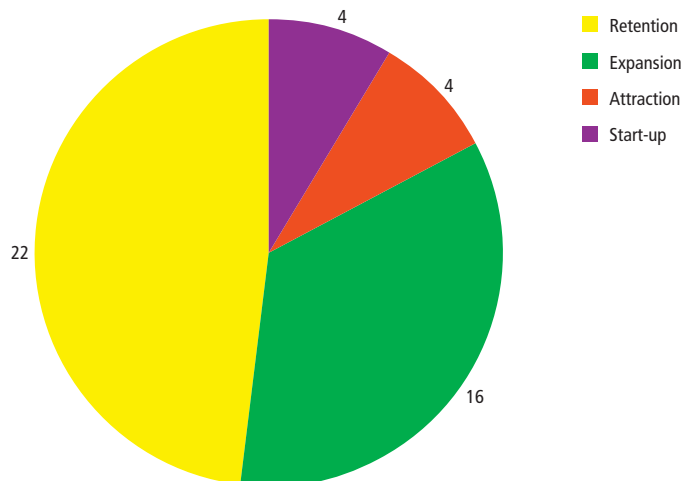
1. Commercial space availability/cost (13)
2. Local regulatory process (8)
3. Employee access (7)
4. Market accessibility (5)

### Initial Factors (# of businesses)

The businesses cited the following top reasons for establishing in Richmond:

1. Proximity to Vancouver International Airport/Port Metro Vancouver (14)
2. Proximity to markets (10)
3. Accessibility within Metro Vancouver (8)
4. Availability of space (5)

Business Development Opportunities by Type



### Profile of Businesses Served

Number of business development opportunities in 2013: **46**  
 Total revenue reported: **\$398,300,000**  
 Total Commercial Space: **2,133,025 square feet**  
 Total number of employees: **2,085**

## Case Studies

The following case studies represent examples of the types of support provided to a diverse range of Richmond businesses by the City's Economic Development Office as part of the 2013 Business Development Program.

Note: company names have been omitted to maintain confidentiality.

### **Western Canada grocery distributor consolidates facilities**

Established in Richmond 20 years ago, this company currently operates out of multiple buildings throughout the city. Experiencing continued growth and seeking process efficiencies, it started searching for a large facility to consolidate operations.

After meeting with company representatives, the Richmond economic development team made introductions to owners of suitably zoned and sized lands in Richmond. The City is looking to expedite the municipal permitting and licensing process, once the company identifies a property.

### **Cold storage warehouse expansion benefits global food supply chain**

A storage and delivery provider for hundreds of food and beverage clients internationally, this company epitomizes Richmond's advantage in the global supply chain. It offers a suite of turnkey third party logistics services, including freight, customs brokerage, pick and pack fulfillment and transloading.

When the need for an additional 50,000 square feet of cold storage arose, the company accessed Richmond's municipal permit facilitation and expediting services. Another opportunity to support this and other companies in the area explores alternative modes of transportation for shift workers in the absence of direct access to public transit.

### **Local tech start-up chooses Richmond to build company**

Fresh out of a technology incubator, this software development start-up chose Richmond as the location for its first office. One year later, the company employs nine professionals and continues to secure new global clients.

Being new to business and new to Richmond, the owners contacted the Richmond economic development team to discuss local regulatory requirements and business development opportunities. The City's business portal was used by the company to research the jurisdiction and identify leads. Additional business prospects were identified after company representatives attended Richmond's Business and Partner Appreciation Event in September of 2013.

### **Innovative organic farmer grows through diversification**

Recognizing that innovation is fundamental to agricultural business sustainability, this long-time Richmond business began to explore ways to diversify its operations. Agri-tourism, retail, and value-added production were identified as ways to achieve this goal.

On the target list for the City's 2013 Business Development Program, the company enthusiastically took advantage of the program to share its plans. Several City departments, external agencies and industry partners engaged with the business through the economic development team's facilitation, introductions and services. When complete, new and diversified sales channels will generate new revenue streams and added market exposure for the busy farmers.

## Richmond Economic Development Services

In addition to the Business Development Program detailed in this report, the City of Richmond provides the following tools, programs and services to support the growth and development of existing and prospective businesses in the community.

### Business Services Portal

[www.businessinrichmond.ca](http://www.businessinrichmond.ca) is the City's dedicated information portal and access point for current or prospective Richmond businesses.

### Business Directory

An online directory of over 13,000 Richmond businesses is available to search for a particular product or service, or to assist with market research.

### Sector Profiles

For each of Richmond's 10 key economic sectors, a printable Sector Profile is available online which includes information on company profiles, land & facilities, government incentives and industry resources.

### Richmond Data Centre

Explore or download the latest Richmond data and interactive statistics on key areas such as housing & development, tourism & trade, business growth and commercial space cost and availability.

### Funding Portal

An interactive search tool of more than 4,500 government funding programs and 2,500 private financing sources in Canada.

### SpaceList

A comprehensive and interactive inventory of commercial and industrial space for lease in Richmond, searchable by size, location and other business requirements.

### Municipal Permit and Process Facilitation

The Richmond Economic Development Office acts as the first point of contact for business clients and facilitates municipal permit and licence processes.

### Business Liaison

We engage City resources to develop solutions which meet individual business requirements to facilitate your project through to successful completion.

### Richmond Interactive Map

The City's interactive GIS Map provides access to detailed property information, including zoning information, active development permit applications, and more.

### BizPaL

Based on individual business requirements, BizPaL will generate a custom list of required permits and licenses from all levels of government, in one place.

### Metro West Inter-municipal Mobile Business Licence

Allows eligible construction trades contractors to work in multiple jurisdictions under one licence. The City of Richmond has partnered with Vancouver, Surrey, New Westminster, Delta and Burnaby in this trial program.

Connect with us to access these services and discuss business development opportunities in Richmond, BC

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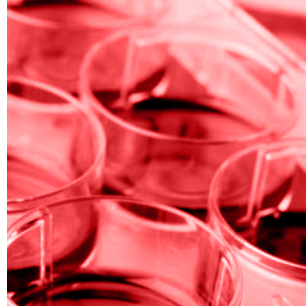
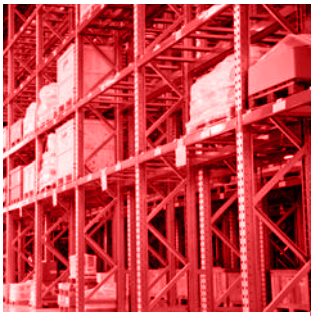
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