

**Community Economic Development through Partnerships:  
The Case of the Regional Business Centre**

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# Community Economic Development through Partnerships: The Case of the Sudbury Regional Business Centre

By Joan Mount and Helen Mulc

It is widely accepted that the creation of new wealth depends primarily on the birth of new businesses, and the expansion and modernization of existing ones. The rate and efficacy of this phenomenon hinges upon the existence of an environment that spurs initiatives. Communities are gripped by the challenges of the knowledge-based economy, deregulation and globalization, and the advent of e-commerce. Thrown into the mix in Canada is a heavy dependence on a resource economy which today embraces ever greater reliance on technology and automation, and hence needs fewer and fewer workers. This paper discusses a “one stop” business support centre established to help a largely single industry community, Sudbury Canada, bolster its economic stability and sustainability. This Centre brings together community players who work with the Centre to provide coherent support services for new and continuing businesses. The goal is not merely job creation but employment that contributes to wealth creation, quality of life, and the retention of an educated citizenry. Sudbury’s challenge is replicated particularly but not exclusively in other resource dependent communities.

## Introduction

Regional policy in Canada, as elsewhere, has metamorphosed from a “top down” approach to job creation, using incentives to attract industry into regions (OECD 1990; Nelson 1993), to a more “bottom up” strategy. Blakely (1991) described economic development as

a process by which local government and/or community-based groups manage their existing resources... to create new jobs and stimulate economic activity in a well-defined economic zone. (Blakely 1991, p.22)

The so-called Initiatives for Local Employment approach (a.k.a. Local Employment Initiatives) to economic development, with its emphasis on local resources and

capabilities, took hold across Europe in the 1980's (OECD 1985). It is predicated on local citizens building on local strengths and proactively embracing, even shaping, higher order initiatives to further local development. The literature in the early nineties resounded with the conviction that local community resolve and action are the key to economic health. Fosler (1991) and Beauregard (1993), for instance, insisted that creating value, improving productivity, and aspiring to compete globally are imperatives that must be embraced at the local level. Communities, and more specifically local people, are better placed than any other actor(s) to coordinate and integrate efforts to use local resources, to improve the quantity and quality of entrepreneurship, to encourage innovation, and to enhance responsiveness and adaptability to change (OECD 1990; Bennet and Krebs 1991; Bergman, Maier and Todtling 1991; Todtling 1991; Maier and Bingham 1993; Nelson 1993). The community itself is the wellspring for real solutions—the energy for change must come at the grassroots level, and channels must be forged within the framework of requirements and resources specific to that community.

This emphasis encompassed the local sociopolitical and business climate as well as the geophysical. Bergman, Maier and Todtling (1991) asserted that a particular political climate in combination with entrepreneurial spirit, and experience with flexible productions systems, are a bigger contributor to a region's economic well-being than its capital stock or labour market. Maillat (1995) called for a "milieu" that supports innovation and the efforts of local players. The strength of relationships and networks within the "territorial production system" was seen to determine the vitality of the local economy. Other researchers claimed that the quality of local leadership can

differentiate communities (OECD 1990; Fosler 1991; Markusen, Hall, Campbell and Deitrick 1991; Nelson 1993; Higgins and Savoie 1997). As small and medium businesses situated outside traditional industrial zones increasingly proved to be drivers of economic development, location per se became viewed as a less critical factor than heretofore thought (Bergman, Maier and Todtling, 1991; Maillat 1998).

Further, Bennet and Krebs (1991) stated that the role of local government is central in economic development, but in tandem with other levels of government and also non-government players. They asserted that partnerships are the cornerstone of sustained economic development. Based on case histories, the Organisation for Economic Co-operation and Development (OECD) also concluded that partnerships are key to job creation (OECD 1993). This is the principle on which the Regional Business Centre, provider of “one stop” business support in Sudbury, Canada, was founded.

Sudbury, with its nickel deposits, knows first hand the vicissitudes of a resource based economy. It has seen recurring but generally short term hardships brought by volatile markets and periodic labour disruptions, and the more alarming challenge of long term workforce downsizing, a situation common to many Canadian communities. The area population is in the order of 150 thousand. This population is scattered across a broad region, and takes the form of relatively autonomous small communities now melded administratively into the new City of Greater Sudbury. Because of its relative size, this city is also a supply centre for northeastern Ontario, an educational and health service centre, and in some measure a tourist destination. Historically a “one

industry town”, Sudbury has sought in the last twenty five years to diversify its economy in the face of a shrinking labour force in its mines. Further, the community hopes to stem the outmigration of its upwardly mobile youth, a large proportion of whom are the educated offspring of immigrants drawn to Sudbury a generation earlier because of the mines.

A high degree of common resolve has produced functional partnerships channelled through a business support centre, founded in 1995, which has facilitated moving the Sudbury economy away from single industry dependence toward broadly-rooted sustainability. The overarching goal is not mere job creation. It is employment that contributes to wealth creation, quality of life, and the retention of an educated citizenry. This economic vision is widely shared across the country. Arguably, Sudbury’s struggle is generic in many respects.

Briefly, the Sudbury Regional Business Centre was founded to facilitate expansion and stabilization of the local economy by addressing three objectives: to provide comprehensive, streamlined assistance to entrepreneurs; to build awareness about entrepreneurship to generate livelihood options; and to create quality jobs. While the local economic vision embraces entrepreneurial activity, it should be recognized that there is a counter force to contend with. The local dependency on the well-paying mining industry acts as an impediment to entrepreneurship. Sweeney (1996) observed

A major difficulty in any region, which is or has been dominated by larger employers, is that there is a low entrepreneurial potential. The culture is one of being employed. (Sweeney 1996, p. 163)

Sudbury has proved no exception to Sweeney’s observation.. A feasibility study, conducted in year 2000, found that the higher than average disposable income in the

mining sector created little motivation to pursue entrepreneurship opportunities.

This paper will focus on the first five years of the Sudbury Regional Business Centre. In that time other Centres had become linked with it, first in four other northern Ontario locations and then across the province. In December 1999 the Province announced the development of an umbrella organization, the Small Business Council, to support the Small Business Enterprise Centre program. The Council was mandated to lead in the development of small business programs and services, and to share best practice across the Network. There are now thirty eight Enterprise Centres linked in a Provincial Enterprise Centre Network. In many of its practices Sudbury has served as a model, and has instituted high profile offerings which have been adopted province-wide. The Sudbury Centre won the Economic Developers Council of Ontario, Royal Bank Economic Achievement Award for Innovation, Partnerships and Results, and has been recognized by Business facilities Magazine (US) for Innovative Partnerships.

This description of the Centre is organized as follows: it opens with an overview of the purpose and early history of the Centre, set against the prevailing economic development literature. This retrospective is followed by an activity profile referenced against best practices (“Top class Services”) as enunciated by the European Commission and cited by the OECD. The paper concludes with some closing observations on the work of the Centre in promoting the region’s economic health.

## **The Sudbury Regional Business Centre**

### ***Background***

The OECD has reported a number of structural shifts in the resource sector which have elicited dramatic, community-based responses. The Greenstone region in northern Manitoba (OECD 1993) is one such example. The situation in Sudbury was notably similar. Sudden downsizing by the two large nickel mining companies in the mid-eighties brought trauma to Sudbury's secondary and tertiary economic sectors. A shock wave of unemployment once again served notice that the region's economic stability rested on a fragile footing.

In December 1985, the Federal Government committed funds to a project that the then Minister of Industry, Trade and Commerce described as "an example of an entire community mobilizing to develop a 'Made in Sudbury' solution ... most definitely not just another government-backed adjustment scheme". This solution took the form of the Sudbury Community Adjustment Project (SCAP), a private sector, non-profit corporation whose mandate was "to develop new, innovative labour adjustment and economic development programs in the Sudbury area". The Federal and Provincial governments agreed to contribute jointly a sum of \$4.5 million. Each of Sudbury's mining companies, INCO and Falconbridge, put in \$250 thousand for a total of \$5 million. SCAP's three-year mandate extended from June 1986 until August 1989.

An escalating impetus for community action led in 1992 to a massive think tank organized as part of a community strategic planning process, the so-called "Next Ten Years" process. This undertaking brought together politicians, educators, business executives, and others. Participants in this process identified partnerships as an important mechanism for economic development. They recognized explicitly that collaboration and networking create positive synergies. It was thought that the onus for

community action in the face of economic change fell squarely on the citizens of the community. The impetus was, however, accompanied by an expectation that various levels of government, and most particularly local government, would lend support. If there was debate over the wisdom of government involvement, it was minimal. At the same time there was an openly held conviction that all levels of government should take direction from the community itself. High achievers from many domains came forward to participate in the “Next Ten Years” process.

In a forum where ideas abounded, systemic obstacles to moving from idea to implementation were identified—basic business guidance was needed, but services to the would-be founders of small businesses were fragmented; financing was painfully conservative; and existing business support services were almost exclusively aimed at start-ups. One of the outcomes of the Next Ten Years process was a conference held by the University Business School for the small business support sector (1993). In attendance were the chartered banks and assorted government agencies. The picture that emerged corresponded closely to the following description.

Assistance to entrepreneurs tends to be fragmented and categorical. Each provider has its own source of funds, its own mission and procedures. There is a tendency for agencies to be turf-oriented and focused on their own survival rather than on the needs of entrepreneurs or on collaboration with other organizations to improve service delivery.

(source: T. Lyons 2003, as cited in OECD 2004, p.96)

A follow-up survey of local firms, conducted by the University Business School, indicated that the business support system could be much improved by offering an expanded one stop, drop-in counselling service. Concurrently with the University’s report came a landmark plea from a local Member of Parliament to the economic development arm of the community. He exhorted the Board of the Sudbury Regional

Development Corporation (SRDC) to create a business support centre with all services under one roof.

The next section of this paper relates the process whereby a community business support facility owes its existence and governance to partnerships, and fulfils its mandate as a comprehensive service provider by shaping and coordinating the specific services offered by individual partners.

### ***Founding a Comprehensive Business Support Centre Based on Partnerships***

One of the most visible of the business development services in existence at that time was the provincially funded Sudbury/ Manitoulin Business Self Help Office (BSHO), which operated as a partnership between the Province of Ontario and the SRDC. This program had garnered impressive results. In 1994, the SRDC Board instructed its own General Manager, together with the so-called ‘Consultant’ at the BSHO, to articulate a formal “Vision” (Discussion Draft) for a comprehensive business service centre. The essence of the vision was one-stop business advice to launch and/or to grow local enterprises, available at a central location, and backed by a network of partners who would furnish appropriate services. The territory to be served encompassed Sudbury and environs, the town of Espanola, Manitoulin Island, and area First Nation communities, with altogether a population base of 190,000.

The challenge was to move from idea to realization, and that meant signing on the so-called “partners”. This was no easy task.

... bringing about a close partnership at a local level between the different elements of the public and private infrastructure [is] not easy....

Essentially it is a matter of creating trust. (Sweeney 1997, p.159)

Effective recruiting required a leader with established credibility and the charisma to be an evangelist for the proposed Centre. Both the authors of the “Vision” were compelling advocates. The core argument was that “by expanding the spectrum of services provided, and enhancing the delivery infrastructure of the current service, the Sudbury region would position itself to capitalize on the benefits of the country’s growing small business sector”. The success of the BSHO encouraged high expectations in this regard.

The mayor of the City of Sudbury, as a member of the SRDC Board, was eligible to sit on the Regional Business Centre Board. He was invited to be its founding chair. This was an important tactical move as it communicated to the prospective partners that the Centre had the full support of the City. Table 1 indicates the partners and their contributions. The Centre committed to including the name and logo of each partner in all of its advertising, brochures, promotional material, sponsorship of small business related events and trade shows. Considered pivotal for the Centre’s mandate was participation, in some measure, of the chartered banks. They also proved the hardest of the original partners to recruit. Three banks did agree to join, but three others declined as did three near banks.

**Table 1**

**Founding Partner Contributions to Business Centre**

CHARTERED BANKS (3) [1 Board member each]	an	\$\$\$10,000 annual fee from each \$one bank later sponsored costs of Intern
EDUCATIONAL INSTITUTIONS (2)		\$\$\$4000 annual fee from each

[1 Board member each]	\$ bilingual counselling services (*deploys students)
SUDBURY REGIONAL DEV'T CORP'N	\$ initially no fee; \$20,000 p.a. from year 4
[3 Board members]	\$ legal entity for Centre's agreements
	\$ office premises at Civic Square
PROVINCIAL GOVERNMENT (1 ministry)	\$ administrative services \$ \$45,000 p.a. to support BSHO, Subsequently rolled over to "Small Business Enterprise Centre"
[1 Board member]	\$ special programs (\$) to encourage business

In keeping with the philosophy of partnership in the Centre, all participants were expected to provide annual contributions to the operating budget, and to the capital budget as required. Given the varying nature of each partner's involvement, specific agreements were negotiated on a case by case basis, and agreed to by the Regional Business Centre Board. From the start, partners made in-kind contributions towards the operation of the Centre, and comprised its Board. Table 2 summarizes the benefits which the partners could expect from participation.

**Table 2**

**Founding Partner Benefits from Business Centre**

CHARTERED BANKS (3)	\$ more knowledgeable clients w/ better business plans
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	\$ bank seen to be community minded \$ bank seen as committed to small business
EDUCATIONAL INSTITUTIONS (2) [1 Board member each]	\$ senior students hone skills \$ Centre hires some graduates \$ market for offering training programs \$ improved access to the business community \$ research opportunities, data (for university)
SUDBURY REGIONAL DEV'T CORP'N [3 Board members]	\$ fit with goal to promote economic development via continued diversification and job creation
PROVINCIAL GOVERNMENT 1 ministry)	\$ seen to encourage N. Ontario business

The number and diversity of partners expanded rapidly in the next two years. There were now two Economic Development agencies of the Federal Government, a third institution of higher education, the Canada Ontario Business Service Centre which consolidates information about government services, programs and regulations, the Society of Management Accountants of Ontario, the Sudbury & District Chamber of Commerce, Bell Canada, and Ontario Business Connects. This last service provider enables clients to register for a business name, retail sales tax, and workers' compensation respectively. By 1999 the Board had welcomed a local law firm, an international accounting firm, a large TV network, and the local Caisse Populaire. In the fifth year of operation, the operating budget in the order of \$315 thousand, was covered by partner contributions, supplemented by approximately \$10 thousand in revenues from seminars, publications and services. The eighteen partners were paying fees ranging from \$110,000 p.a. down to \$2,500 p.a., with the largest amounts derived

from the various government bodies.

It should be noted that Government involvement, whether Federal or Provincial, has been received with enthusiasm at the operational level. The Federal government is a prominent provider of financial backing. The Federal Economic Development Initiative for Northern Ontario (FedNor), a partner since June 1997, contributes more than twice as much to the Centre dollarwise as any other partner. It is the source, too, of financing for higher risk ventures which fall outside the conventional bank financing threshold. (For an overview of FedNor's origins and mandate, please see *Regional Problems and Policies in Canada*, OECD 1994, pp.43-46). Initially FedNor was allied with the Business Development Bank of Canada (BDBC) to provide investment capital for new and existing small and medium enterprises, and the "Sudbury and District Special Initiative" was created to deal in higher risk financing.. When this vehicle was discontinued in 1999, FedNor set aside \$1.6 million to create a Community Loan Fund, the so-called Nickel District Federal Development Corporation Loan Fund. The Corporation is governed by an independent Board of Directors who make decisions regarding loans. The Sudbury Regional Business Centre assists clients in the preparation of business plans and applications, and refers clients directly to the Corporation's Loans Officer/ Manager. In his treatment of micro-financing for local development, Joel Lebosé made two salient observations at a general level that also apply here in the specifics.

we are witnessing the birth of what looks like a major phenomenon—  
long term availability of such financial assistance ... not set up solely for  
profit ... generally confines its action to the community concerned .  
(Lebosé 1998, pp. 28-29)

Note that the Federal Government's higher risk financing through FedNor is arms length.

## **The Sudbury Centre and Established “Best Practice”**

The European Commission has enunciated its recommendations for “Top-Class” Services by business support centres, based on comparative studies of different levels of business support within the European Union. Though originating in a different context, these recommendations can serve as guidelines for the Sudbury Centre and other Centres in Canada. In this section of the paper, activities within the Sudbury Regional Business Centre are matched to the European Commission recommendations as rendered by Grayson and published by the OECD (OECD 2004, pp.125-127). Canada is a founding member (1961) of the OECD, whose policies and comparative studies are designed to “achieve the highest sustainable economic growth and employment ...”. OECD benchmarks are often applied to Canada. Arguably the Centre has lived up to these recommendations to a marked degree.

Recommendation #1    CLIENT FOCUS
Client focus has to be a fundamental principle of support service provision European Commission

Numerous activities at the Sudbury Regional Business Centre started with the needs of the target groups, and hence respond to Recommendation #1. For instance, a dozen seminars and workshops are delivered at no cost. Many, such as “How to Conduct Market Research Using the Internet”, were initiated by Centre staff. Some have been developed as a result of client surveys or at the suggestion of one of the partners. The Accounting clinic, the Legal clinic, “Ask a Banker” and “Self Employment

Benefits Program” are delivered by various partners. “Small Business Taxation” is provided by Revenue Canada.

Also tied to client need are mentorship matching and “Bridges to Better Business”. The Report of the European Commission’s Employment Taskforce contains the assertion “Entrepreneurs often learn best from other entrepreneurs” (European Commission 2004, p.23) . From its inception the Centre proactively identified mentors and worked collaboratively with the Sudbury & District Chamber of Commerce Mentorship program. In the first three years of its existence the Centre made 36 mentorship matches. Clients showed the greatest interest in finding a mentor after their first year of business activity.

Out of this need for advice and a sounding board came the idea for “Bridges to Better Business”. Initiated by the Sudbury Centre in March 1999, this half day event has been replicated across the province. Initially sponsored by Bell Canada, and latterly by Bell Canada and the Business Development Bank, it brings together less experienced business owners to hold small group exchanges with seasoned entrepreneurs on specified topics such as Exporting. “Bridges” has been so successful that the Centre filed a trademark application to protect the integrity of the event, and to create an opportunity to charge a licensing fee. By the year 2000, this initiative had mushroomed to the point where seventeen small business support centres were running their own “Bridges”, the Manager of the Sudbury Centre was chairperson of a provincial Bridges to Better Business Working Group, and Bell Canada was disseminating “Tips and Advice” collated across the different sites.

Recommendation #2 COMPREHENSIVE PROVISIONS

Entrepreneurs must be able to get convenient access to all the support services they need. European Commission

This is the principle embedded in the “one-stop” concept for the Sudbury Regional Business Centre. Insofar as possible, all needed support services were made available under one roof. Convenient physical access was also deemed essential. In 1998, one of the partners, the Royal Bank of Canada, donated space with street access to the Centre until the year 2003. This space is contiguous with the Centre’s former location at Civic Square, next door to the offices of the region’s economic development arm. The SRDC and Human Resources Development Canada provided funds to adapt the space to its new purpose. FedNor covered the costs involved in the creation of the so-called Business Zone (\$30,000) which hosts a business resource library, independent computer work stations for access to internet market research, and business planning software for clients. The Manager of the Nickel District Federal Development Corporation Loan Fund is co-located with the Centre.

Recommendation #3 COHERENCE AND RATIONALIZATION

- Coherent support services are required, so that entrepreneurs can easily access a package of services covering all the main management functions
  - New stand-alone initiatives should be avoided. Public authorities should take a strategic approach to the support that they provide or sponsor, and ensure that it is co-ordinated with other provision.
  - All support services (core and specialised) should be based on an approach which assists enterprises to develop their own management capacity.
- European Commission

The area service providers on the Sudbury Regional Business Centre Board have done much to ensure communication, integration of services, and a shared vision. Note, for instance, how issues around clients' needs for legal and accounting knowledge, risk financing, and mentoring have been addressed through the Centre, by its partners. The Sudbury Centre staff members assist individuals to "mix and match" from this menu of services in order to meet their particular needs. To maximize awareness of partners and their services, each partner of the Centre is invited to display promotional material in the Centre's reception area.

In 1998 the Centre distributed a questionnaire to 260 clients, attaining a response rate of 24%. Respondents indicated that they had used the services of the Centre as reported here. Twenty five per cent had sought start-up information, and twenty three per cent had solicited guidance to develop a business plan, access various electronic databases, and handle the challenges of the initial phase such as establishing a bookkeeping system. Eighteen per cent had requested assistance with market research, and sixteen attended seminars or workshops. Ten per cent had explored the requirements and procedures for financing a business, which could include equity financing, and less traditional vehicles. Eight per cent had participated in the mentorship program.

One of the objectives of the Sudbury Centre is to provide "affordable assistance ... which results in realistic business plans". Most clients who visit the Centre are affiliated with a financial institution, usually a partner bank. A staff member at the Centre assists the client through the requisite market research and business plan formulation. In the first two years of operation, one half of the respondents had obtained financing from a

chartered bank. Fully 30% of the clients were able to secure financing in excess of \$40,000. Of the 65% of respondents who attempted to obtain additional financing since start-up, over half had succeeded and the majority had received more than \$20,000. Partner banks and personal equity combined to account for 64% of start-up financing. While clients are given no guarantee of financing, whether from the bank or other source, partner banks financed 75% of the business plans received. The amount of total debt and equity as of September 30, 1997 was in the order of \$3 million.

The Centre may refer a client who needs additional assistance or information to the Small Business Counselling Service at the local university. Senior business students, under the supervision of faculty members, assist new and existing business with market research, business plan development, and management practices. Students gain academic credit during the school year, earn money in the summer months, and generate revenue for their program. All partners are encouraged to refer interested clients to the Small Business Counselling Service.

**Recommendation #4    RESPONDING TO DIFFERING NEEDS**

- Provision should take account of the different needs of different types of SMEs, by offering distinct packages of services for entrepreneurs, start-ups, established businesses, etc.
  - There must be procedures in place which help determine the best advice available to the client and subsequently manage and follow up their successes with specialised staff, including those in other agencies
- European Commission

Identified as a key success factor was the creativity to develop and implement new offerings at the Sudbury Regional Business Centre which would genuinely contribute to the delivery of small business programs and services. Never explicit, but

always vital, was the side effect of ensuring that the partners remained impressed with the Centre's accomplishments.

One example of an attempt to respond to different needs began in 1999. FedNor sponsored the Business Community Outreach Program which enables Centre staff to visit pre-startups and newly developed businesses at the client's convenience with respect to location and time. Centre staff meet individually with clients throughout the Sudbury region at their location, or a location of their choice. Upon visiting with clients, a staff member is better able to assess a client's needs and match them to the most appropriate program(s) and/or service(s).

On behalf of FedNor, the Centre also administered the Business Planning Initiative Program for as long as it was offered. This Program enabled clients with innovative business ideas and/or concepts to contract market research and business plan development to a business consultant. Upon approval of an application, clients received a third party analysis of their business idea, and those likely to succeed could access an interest free loan of up to \$5000 over a two year period.

Further, the Centre regularly delivers the mandatory thirteen hour training component on business plan development required by the Ontario Government/ Royal Bank "Young Entrepreneur Program", which involves a \$7500 loan to entrepreneurs under 30 years of age.

Recommendation #5 RESPONDING TO THE MODERN ECONOMY

- It is important that rather than launching completely new initiatives, new elements should be effectively integrated into existing provision.
- Recent developments in Information and Communication Technologies need to be fully exploited in the delivery of services.

The Sudbury Regional Business Centre has actively embraced new, technologically based government support services. Through the Canada Business Service Centre Network, FedNor undertook to bear the costs of a Business Information Officer. This person has the task of providing skills training, technological know-how, and information about government services, export markets, and the so-called Information Highway e.g. Strategis. Some minimal specialization of personnel has thereby occurred within the Centre.

Recommendation #6 DELIVERING TOP QUALITY SERVICES

- Public authorities responsible for service provision should ensure that support organisations have access to the necessary human and material resources to provide top-class services.
  - The development of a distinctive professional culture needs to be encouraged among staff by the implementation of demanding recruitment training and development policies.
  - Quality assurance systems need to be routinely implemented.
- European Commission

Staffing at the Sudbury Regional Business Centre has been built around young, flexible, personable professionals with business education (often newly minted qualifications), who quickly master the particulars of small business development. At least one staff member must be French speaking to serve the French population in the area. By the year 2000, the personnel complement consisted of a Manager, a Small Business Consultant, a Business Information Officer, a Small Business Advisor, a FedNor Business Projects Intern and a FedNor Business Research Intern. With the exception of the Manager's position, there is high turnover. The positions offer excellent experience and exposure but contracts are for one year at a time, and even though wages and benefits make up roughly sixty per cent of the Centre's operating budget,

salaries are relatively low.

Five years before the founding of the Centre, the OECD had set forth its recipe for success in such initiatives (OECD 1990, p.49). It is noteworthy that four out of five factors call for particular human qualities, and the fifth (omitted here) promotes the local context.

- an entrepreneurial approach underpinned by motivation and drive
- higher levels of cooperation and strong partnerships
- an integrated approach
- flexibility of management and adaptiveness

In a similar vein, the founding Manager of the Sudbury Centre claimed that staff credibility and partner loyalty were the two most critical ingredients of success. She stressed that the first year was one of high enthusiasm on the part of the partners; the second was one of “still riding the wave” of excitement; and the third year was one of the Manager trying to build and sustain loyalty as excitement waned. In short, the challenge of partner recruitment was followed by one of partner retention. The robust client satisfaction and partner loyalty enjoyed by the Centre bear testimony to her skills.

### **Status Report and Closing Observations**

The pre-eminent challenge in a single industry town is to insulate the local economy from the vicissitudes that come with over dependence on that industry. The Sudbury Regional Business Centre came into existence as part of an ongoing effort to expand and stabilize the local economy, involving three levels of government and the

private sector. The emphasis initially was on creating partnerships between the public and private sector that would streamline access to needed advice and financing for entrepreneurial activity. The first objective of the Centre, that of providing efficient, effective assistance to entrepreneurs, is being met. As an operating Centre, the track record speaks for itself. By January 1, 2000, 478 new businesses had been formed. Only 38 had closed. Of these closures, no more than four had terminated because of bankruptcy. The success of the Centre's endeavour has been rewarded by prestigious external awards and partners that have remained loyal over time.

With respect to how the proposed expansion of the economy was to occur, diversification was strongly endorsed. Recall that the Centre was established within an on-going thrust to diversify the local economy that had taken on urgency after a dramatic layoff in the mid eighties. Diversification is still seen as a central pillar in the economic vision.

On the issue of focus versus diversification, there was no open debate. Not surprisingly, however, a number of those new firms that have come into existence are mining supply and service companies. They were developed for the most part by former INCO or Falconbridge employees who identified an opportunity to sell their goods and services back to these two mining giants. The upside of this quasi-dependency is that if suitably nurtured, it could become the basis for an industrial cluster. In Sudbury there is one well established organization, the Northern Centre for Advanced Technology (NORCAT), which offers residency programs to innovative product-driven business concepts, many of which relate to the mining industry. The Regional Business Centre can provide active assistance at the commercialization stage. Raising the number of

high potential growth firms is a priority for the Centre since these promise the greatest return on investment to both the partners and the community.

A second objective of the Sudbury Centre was to contribute to a shift in the prevailing employment mentality. The partners of the Centre deemed it essential to plant the realization that entrepreneurship could provide a meaningful alternative to conventional employment. To accomplish this, they targeted the next generation with a number of entrepreneurship fostering activities involving white, visible minority, and aboriginal youth. Out of the various contacts with youth entrepreneurs came the idea of a “Sudbury Area Secondary School Business Plan Challenge”, first launched in 1998 and directed at students from grade 9 upwards. The top four business teams are awarded cash prizes of \$1500, \$1000, \$750, and \$500 respectively. Recognition is given for the best business plan, most original idea, and best trade show exhibit. Originating in Sudbury, this format has been adopted by other Enterprise Centres in the Network.

The third objective reflects the overarching goal of the Region, and was loosely termed “quality jobs”. This notion has been refined to encompass creating employment that contributes to wealth creation, quality of life, and the retention of an educated citizenry. At a greater level of specificity, the OECD’s Washington Workshop captured this concept in its statement:

There is evidence that new and small firms have a causal role in economic growth, both as intervening mechanisms reflecting other basic changes and as an independent source of economic growth. (OECD 1996, p. 57)

Manufacturing firms with high growth potential for wealth creation are greatly desired. Yet also considered important is a service sector that contributes to the quality

of life, and thus indirectly helps to attract wealth creation activity to the area, as well as highly sought after professionals such as medical practitioners. In connection with this objective, there are hard questions to be asked when assessing the performance of the Centre. Here are some that can serve as a checklist.

- **Are the jobs that are created quality jobs?**
- **Do these new jobs create wealth? (excludes jobs in the service sector)**
- **Do the service sector jobs that are created enhance the quality of life in the community?**
- **Are the small businesses that are started likely to grow—are they a source of on-going job creation?**
- **Do the new small businesses have export potential?**
- **Is there an evolving “cluster” of related businesses which give economic synergy to the region?**

It is easy to be lulled into a false complacency by the number of starts and new jobs recorded by a business support centre. Only by looking behind the count and seeking candidates that register positively on a checklist such as the above, can a community realize a larger “causal role in economic growth”. It should be noted, nonetheless, that most of the clients of the Sudbury Centre are local players, many of them micro-businesses with negligible growth potential and no export aspirations. Clearly, business support centres serve the full spectrum of small and medium businesses and handle a large proportion of such micro players. While this activity is needed, it is imperative that centres, and those to whom they are responsible, also focus on wealth creation that leads to real economic growth. Moreover they are in a position to foster awareness of what it takes to achieve real growth—in their particular community/ region. The answers will vary according to City, population, demographic composition, industrial base, access

to markets, inventory of programs at the post-secondary institutions, etc.

In conclusion, Sudbury and its business support partners, in their quest for a vibrant economy, have become highly sensitized to the importance of wealth creating firms and to the strong appeal of lifestyle. These factors now weigh into the objectives of the Sudbury Regional Business Centre. It is overly simplistic but nonetheless instructive to say that community wisdom has moved successively from the belief that various levels of government and most particularly local government should take action in the face of negative economic change, to a sense that the best hope for a stable, sustainable economy is diversification through entrepreneurial activity, to a conscious and growing pursuit of wealth creation and lifestyle elements to that same end.

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