COVID-19 Policy Brief - 03

Small Business, Big Impact

How SMEs are Pivoting During COVID-19

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The Ontario Chamber of Commerce (OCC) would like to thank the Ontario Chamber Network and members for participating in this timely report.
PART 1: INTRODUCTION

Small and medium-sized enterprises (SMEs) are at the centre of the economic crisis created by COVID-19. In fact, the coronavirus has hit small business harder than the 2008 financial crisis. As a result of public health measures aimed at mitigating the virus, SMEs are facing unprecedented challenges to their survival, including reduced revenue, poor liquidity, disrupted supply chains, inflexible fixed costs, increased need for technology, navigating emergency government supports, and retaining employees.

Not surprisingly, the situation facing SMEs has sparked great concern among policymakers in Ontario and around the world. SMEs are important cornerstones of local economies and key to a thriving community. Underscored in RBC’s recently launched report Small Business, Big Pivot: A devastating downturn, and how Canadian enterprises can transition, SMEs are important cornerstones of local economies and key to a thriving community. When individuals purchase goods and services from an independently owned or small business, it creates a ripple effect that leads to direct and indirect economic activity within that community. Small businesses generate money that is recirculated into the economy in a number of different ways, including job creation, increasing the local tax base, and encouraging tourism. Besides the fiscal argument, small businesses add character to their communities, build connections with residents and customers, and often sponsor and support local charitable endeavors.

However, the impact from the coronavirus has not been felt equally. For instance, given the structural differences and regional disparities across Ontario, the challenges facing entrepreneurs and small businesses in southern Ontario differ from those in northern Ontario. Further, businesses in certain sectors have been hit harder, like those in accommodation, food services, arts, entertainment and recreation, and retail.

Given the important role SMEs play, ensuring the right policies are in place to help struggling businesses recover from COVID-19 is in the best interest of every community and the province alike. Indeed, containing the spread of COVID-19 is the first step in economic recovery. However, Ontario’s entrepreneurs, SMEs, and the robust ecosystems that supports them will play an integral role in helping the province bounce back.

Small Business, Big Impact: How SMEs are Pivoting During COVID-19 provides an overview of Canada’s SMEs prior to the pandemic, outlines current challenges facing entrepreneurs and small businesses, and highlights how small businesses across the Ontario Chamber of Commerce’s (OCC) membership are adapting their business models and operations during this unprecedented crisis. Together, these companies demonstrate the nimbleness, agility, ingenuity, and generosity of Ontario’s SMEs.
The phrase ‘SMEs are the backbone of our economy’ is often found in news stories and reports examining small and medium-sized businesses. However, it is worth exploring the data behind this truth, including the economic and societal contributions they make.

**SMEs in a Nutshell**

- **Refers to companies with less than 500 employees.**
- **1/3 of Canadian SMEs are led or co-led by women.**
- **1.2 million SMEs in Canada as of December 2017.**
- **426,490 were in Ontario.**

**How Many People are Employed by SMEs?**

- **Almost 90% of Canada’s private sector workforce.**
- **88% of Ontarians.**

**How Much do They Contribute to Canada’s Economy?**

- **30% of Canada’s GDP.**
- **42% of Canada’s exports.**
- **95% of the new jobs created in 2015.**

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1 A small business has between one and 99 paid employees. A medium-sized business has 100 to 499 paid employees. Large businesses have over 500 paid employees.
### WHAT COMMON CHALLENGES DID SMEs FACE BEFORE COVID-19?\(^{16,17,18,19}\)
- **COST OF ELECTRICITY AND PROPERTY TAXES**
- **TALENT ACQUISITION AND RETENTION**
- **INADEQUATE HIGH-SPEED, BROADBAND INTERNET**
- **LACK OF TRADE-ENABLING INFRASTRUCTURE**

### WHY ARE SMEs PILLARS OF THEIR COMMUNITY?\(^{16,17,18,19}\)

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<th>CREATE JOBS</th>
<th>INCREASE THE LOCAL TAX BASE</th>
<th>SUPPORT CHARITABLE INITIATIVES</th>
<th>FORGE PERSONAL CONNECTIONS WITH CUSTOMERS</th>
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<td><em>ADD CHARACTER TO THEIR COMMUNITIES</em></td>
<td><em>FUEL INNOVATION</em></td>
<td><em>SELL UNIQUE PRODUCTS AND DRIVE TOURISM</em></td>
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\(^{ii}\) Other challenges, according to Canadian Business magazine, include inexperience generating revenue, weak value propositions for new products or services, bad business partners, and scaling too quickly, to name a few.
PART 3: CURRENT CHALLENGES

The landscape has shifted dramatically for entrepreneurs and SMEs across Canada. Businesses deemed non-essential were forced to close. Following the implementation of public health measures, demand for some products/services declined as Canadians began staying at home and reigning in spending. At the same time, demand for other products (e.g., sanitizer, bathroom tissue, shelf-stable foods) and online shopping has surged.

Pre-COVID-19, many entrepreneurs and innovators in Ontario were focused on growth and scaling-up. However, at the start of the pandemic they turned their attention to crisis management, pivoting their operations to remain resilient and learning how to oversee remote workplaces and hiring practices. Now, part way through the crisis, many entrepreneurs have turned to recovery planning.

Here is what SMEs are saying about current challenges and changes they plan to make because of the pandemic. Also included are steps Ontarians can take to support small businesses in their communities.

WHAT IMPACT HAS COVID-19 HAD ON ENTREPRENEURS?

- 84% SAY THE IMPACT HAS BEEN NEGATIVE
- 49% PARTIALLY SUSPENDED THEIR ACTIVITIES
- 23% COMPLETELY SUSPENDED THEIR ACTIVITIES

WHAT IMPACT HAS COVID-19 HAD ON SMALL BUSINESSES?

- 68% WITNESSED A DECREASE IN REVENUE BY 10% OR MORE
- 22% ARE UNABLE TO STAY FULLY OR PARTIALLY OPEN DURING THE PANDEMIC
- 25% CANNOT STAY OPEN MORE THAN 3 MONTHS
- 38% CAN WORK AT FULL CAPACITY
- 23% CAN WORK ENTIRELY FROM HOME

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A survey conducted by Statistics Canada in partnership with the Canadian Chamber of Commerce and Ontario Chamber of Commerce online between April 3 and 24, 2020, with over 12,600 businesses.
PART 3: CURRENT CHALLENGES

WHAT ARE THE TOP CONCERNS AMONG ENTREPRENEURS & SMALL BUSINESSES DURING COVID-19?

- **CASH FLOW**
- **ECONOMIC REPERCUSSIONS FOR ONTARIO, CANADA, AND THE WORLD**
- **REDUCTION IN CONSUMER SPENDING**
- **KEEPING EMPLOYEES**
- **WORK ON NEW PROJECTS**

WHAT DO SMEs PLAN TO CHANGE AS A RESULT OF THE PANDEMIC?

- **REDUCE EXPENSES**
- **INVEST IN MORE TECHNOLOGY**
- **BROADEN PRODUCT OFFERINGS**
- **STREAMLINE OPERATIONS**

HOW CAN ONTARIANS SUPPORT SMEs?

- **PURCHASE GIFT CARDS FOR FUTURE USE**
- **SHOP ONLINE FOR ITEMS**
- **FOLLOW SMES ON SOCIAL MEDIA AND LEAVE A POSITIVE REVIEW**
- **SHARE FAVORITE BUSINESSES WITH YOUR NETWORK**
- **LOOK FOR VIRTUAL OPTIONS FOR SERVICES (WHERE POSSIBLE)**
- **RESCHEDULE RATHER THAN CANCEL PREVIOUSLY PLANNED TRIPS/APPOINTMENTS**
- **TRY TAKE-OUT FROM RESTAURANTS AND DELIVERY FROM RETAILERS**

iv A survey conducted by the Canadian Federation of Independent Business online that started on May 22, 2020, with 4,841 respondents.

v A survey conducted by the Business Development Bank of Canada online between May 11 and 13, 2020, with 619 respondents.

vi, 23
PART 3: CURRENT CHALLENGES

The challenges facing SMEs are perhaps most acute in rural, remote, and northern communities. For instance, accessing capital has been a longstanding barrier to expansion for First Nations firms. In 2015, only 19 percent of First Nations businesses obtained financing from traditional financial institutions. Instead, many rely on retained earnings or personal savings to start/operate their business. Poor or non-existent broadband connectivity is also common in northern communities. Further, eligibility criteria for recent federal loan and wage subsidy programs have been problematic for some businesses, including seasonal tourism businesses in the north.

Taken together, the lack of finances to cover fixed costs, difficulties accessing government resources online and establishing e-commerce, and ineligibility for some federal programs presents real risks for First Nations businesses, northern Ontario’s economy, and the broader SME community. Below is a look at First Nations businesses in Canada – prior to and during the pandemic.

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**HOW MANY FIRST NATIONS BUSINESSES ARE IN CANADA?**

- 43,305 First Nations Businesses
- 99% are SMEs
- 24% in Ontario

**INDIGENOUS PEOPLE ARE CREATING BUSINESSES AT NINE TIMES THE RATE OF NON-INDIGENOUS CANADIANS**

**INDIGENOUS-LED BUSINESSES AND COMMUNITIES CONTRIBUTED $31 BILLION TO CANADA’S GDP IN 2016**

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**vi** On April 18, the federal government announced $306.8 million to help small and medium-sized Indigenous businesses impacted by COVID-19. The funding provides short-term, interest-free loans and non-repayable contributions through 59 Aboriginal financial institutions, which offer financing and business support services to First Nations, Inuit, and Metis businesses. The federal government’s announcement was expected to help 6,000 Indigenous-owned businesses.

**vii** Nature & Outdoor Tourism Ontario notes that the eligibility requirement for the Canada Emergency Business Account program ($50,000 in reported payroll for 2019) is a challenge to meet. Seasonal tourism businesses generally have staff during the summer when they have guests and would benefit from the payroll requirement to be lowered substantially. Further, if these companies are unable to show a 15 percent loss in revenue during March and April, they will not be able to obtain the 75 percent wage subsidy to pay workers or themselves.

**viii** Based on the 2011 National Household Survey.
## Part 3: Current Challenges

### What Are Some Features of First Nations Businesses?  

**Generally Small,**  
- 74% are incorporated and 64% have no staff

### What Challenges Did First Nations Firms Cite Before the Pandemic?  

- Attracting and retaining talent
- Overall economic conditions
- Access to equity/capital
- Government policy and regulations
- Cost of doing business
- Reliable internet, phone, and other IT

### What Impact Is COVID-19 Having on First Nations Businesses?  

- 36% create employment for others
- Involved in all sectors, like natural resources, construction, manufacturing, retail, and service
- Most supply goods/services to the private sector and consumers

- 90% are very or somewhat concerned the pandemic will affect business operations
- 78% experienced a moderate to high negative impact on business activity
- 35% say it would take between 1 and 3 months to restore normal business operations after COVID-19 subsides

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**ix** A survey conducted by the Canadian Council for Aboriginal Business (CCAB) and Environics Research by phone between February 10 and March 10, 2015, with 1,101 First Nations, Inuit, and Metis business owners across Canada.

**x** The CCAB notes that Aboriginal businesses are less likely to be incorporated.

**xi** A survey conducted by the CCAB online between March 13 and March 23, 2020, with 85 respondents.
CertaPro Painters of London offers both commercial and residential painting services. Typically, the company meets customers in-person to discuss their project. Given social distancing measures, the company leveraged technology to work with customers on future renovations. They meet with customers virtually from their homes, using FaceTime or WhatsApp. Customers provide them with a virtual tour of their home or commercial property, as well as share what they wish to have completed. After discussing the scope of the project, CertaPro Painters prepares a formal proposal to discuss with the customer in a subsequent interactive session over Zoom.

“Most customers really enjoy the use of the technology! They are still able to inquire, even during the lockdown, about the work they are interested in. They can also make arrangements to have the work completed when the restrictions are lifted. All in a ‘contactless’ manner.”

– Paul Guenette, Owner, CertaPro Painters of London
ENABLE EDUCATION

Based in Milton, Enable Education has provided businesses of all sizes and industries with custom learning solutions since 2006. Prior to the pandemic, the company would record training videos in their studio or at a client’s location. The turnaround was typically two weeks as the content was broader and various takes were required. However, the company adapted during this period. They are helping executives and experts record training videos remotely and, by adopting new processes and technologies, Enable Education can record, edit, and deliver videos to clients within a few days. For instance, the use of a new program allows the company to trigger the start and stop function on a client’s smartphone, as well as control the zoom and focus features. With Enable Education’s help, executives can record videos that support employees and train healthcare professionals on newly designed medical and protective equipment emerging in response to the pandemic.

“Businesses must be nimble and find ways to deliver value in a massively changing world while keeping to the core of their capabilities. A great example is how we responded to one of our client’s urgent need for quality video training. The client provides critical software for a large European manufacturer who recently announced the launch of a newly engineered ventilator, and they needed our help with product training to support the roll-out. By entirely re-thinking what would typically take weeks, we found a way to do it overnight and were able to deliver training videos right at the time of need.”

- Ben Zimmer, Founder and CEO, Enable Education
Early on we looked at what was happening globally and could see it would shake our industry to the core. Choosing to close our doors early allowed us to focus all our efforts on creating a system we could fine-tune and develop. This meant we could scale-up rapidly for May, a month when we traditionally do 50 percent of our annual sales. That move has served us well going into prime gardening season, when curbside is the only safe shopping choice for gardeners. - Will Heeman, Chief Daymaker, Heeman's

"We were able to mobilize quickly by working really hard! Long hours and late-night chats were involved. We wanted to provide opportunities for makers to continue their learning, development, and connection to others, especially at a time when they may not be having as much social interaction. The response from families has been incredible. Parents and children love having a highly engaging and educational extra-curricular available during this time." - Jennifer Turliuk, CEO, MakerKids
PART 4: ONTARIO CHAMBER NETWORK #DifferenceMakers

EXPANDING E-COMMERCE TO REACH CUSTOMERS
Merit Brewing is part brewery, restaurant, bottle shop, and online retailer located in downtown Hamilton and owned by Tej Sandhu. Due to COVID-19, the company had to close their taproom. Prior to the pandemic, the company's online store typically fulfilled 30 shipments a week within Ontario. In response to the shutdown, Merit Brewing expanded their delivery and e-commerce platform, and Hamiltonians can now take advantage of free door-to-door delivery. Moreover, they broadened their product offerings to include shipping food products along with their beverage alcohol products. Implementing this change has allowed Merit Brewing to complete about 300 orders a week.

“With the landscape of operating our business changing every day – both in how we are legally able to operate our business, but also in how we should responsibly conduct it – we have had to rollout new lines of business and create processes around them simultaneously. Thankfully, our pivots were smooth, but there has certainly been refinement of process and our offerings over the course of the past few weeks to make sure we can provide a top-notch experience for our customers.”

– Tej Sandhu, Owner, Merit Brewing

MERIT BREWING

PROVIDING VIRTUAL FITNESS CLASSES TO HELP CLIENTS STAY HEALTHY
Just four months into starting his second gym, owner Tyler Ouwendyk is now using technology to support his clients’ fitness goals at Momentum Fitness in downtown Hamilton. The gym is offering virtual, personal training sessions, exercise classes, and a three-week long training plan, with a portion of the revenues being donated to the Boys and Girls Club of Hamilton. Due to lost income during the gym’s closure, Tyler is also paying his fitness coaches twice their hourly wages to lead online training.42

“Momentum’s mission is to make exercise fun, non-intimidating, and barrier-free for everyone. The gym closure obviously posed as one of the biggest barriers for people to exercise, so it forced us to adapt. Taking things virtually helps us continue our mission to keep our clients moving and keep providing them value, especially during this stressful and uncertain time. It has been a blast so far and our virtual programs are continuing to gain traction through Hamilton!”

– Tyler Ouwendyk, Director of Sales and Operations, Momentum Fitness

MOMENTUM FITNESS

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MOMENTUM FITNESS
MANUFACTURING NEW PRODUCTS

BIOCONNECT

Founded in 2010, BioConnect provides building access security systems for 1,600 customers across North America, namely critical infrastructure sites like banks, laboratories, data centres, and utility and tech companies. When the pandemic hit, CEO Ron Douglas and his management team started thinking of how the company could help its existing customer base and other essential services. The fact that most biometric security systems use fingerprint identification pads presented an issue in a time when individuals are sensitive to hygiene and social distancing. BioConnect therefore decided to speed-up the rollout of a retrofit system for all standard card/keypad or fingerprint reader access points that adds the option for touchless mobile facial recognition to any security platform. To drive customers, the company offered 90-day free-trials of this new alternative to fingerprint-based systems or other touch solutions.

OFFERING TOUCHLESS SECURITY SOLUTIONS

DANBY PRODUCTS

Based in Guelph, Danby Products manufacturers fridges and freezers. When the pandemic hit, they stopped manufacturing the company’s traditional products and immediately pivoted, re-tooling their production lines to make full-service ventilators. The shop floor was also redesigned to allow for social distancing among workers. To make this shift a reality, CEO Jim Estill partnered with four other companies in an initiative called Ventilators for Canadians. This joint venture has received an order for 10,000 ventilators from the federal government. It took the company two weeks to make devices using off-the-shelf parts and a template for full ventilators prepared made by another company. The full-service ventilator will roll off the production line soon, and up to 500 will be produced each week.

"Danby Appliances saw the need for ventilators and respirators. People in Italy were dying in the halls because of a shortage of them. So we thought, “why not design and make one?” We found it was too complex so we teamed up with ABS Friction, Crystal Fountain, JMP Solutions and Baylis Medical to make a Metronic design. Danby is now supplying the labour to assemble 10,000 ventilators. And Danby has released a respirator we are selling to dentists, massage therapists, meatpacking plants and other factories."

– Jim Estill, CEO, Danby products
PART 4: ONTARIO CHAMBER NETWORK #DifferenceMakers

CONVERTING PRODUCTION LINES TO PRODUCE HAND SANITIZER

Located in Beamsville, Dillon’s Small Batch Distillers modified their regular production lines from producing vodka, gin, absinthe, and other spirits to create hand sanitizer and disinfectant. Using their own supply of alcohol, founder Geoff Dillon and his team have provided local police, hospitals, paramedics, long-term care homes, shelters, food banks, municipalities, and other frontline workers with free hand sanitizer. The company is also giving a bottle of hand sanitizer to customers who purchase their beverages online. They have produced and given away (free of charge) almost 50,000 bottles to first responders.

“We saw a need from those on the frontlines and in our community for sanitizer. We knew that with our facility, alcohol, and ability to produce high proof alcohol, we could help. We started with small bottles that we gave away for free to customers in early March, and the demand grew and grew. It has been overwhelming to see the requests and hear the stories of the need for sanitizer by so many on the frontlines (we’ve all shed more than a few tears) and those who need it most. To date, we’ve donated nearly 50,000 of our 750ml bottles of sanitizer, and the need is not slowing down. Thanks to the support of the wider community, with their purchases of sanitizer through our online shop, we will continue to give sanitizer to those on the frontlines free of charge for as long as it’s needed.”

- Whitney Rorison, Hospitality Manager, Dillon’s Distillery

SHIFTING TO PRODUCE FACE SHIELDS

Based in Kitchener, InkSmith is a tech company that manufactured robotic kits that allow educators to teach Science, Technology, Engineering, Art, and Mathematics (STEAM) to kids. When a family doctor reached out to the company and warned of the shortage of PPE, InkSmith decided to step into action. With the use of their 3D printer, the company has designed face shields that are reusable and adjustable for healthcare workers. They are producing over 8,000 a day with certification from Health Canada. After launching this product, they formed an affiliate company called The Canadian Shield, moved into a large manufacturing space, and received an order for 10 million of its shields from the federal government. In one month, the company grew from 10 to 150 staff, with plans to double this number in the coming weeks to eventually fulfill international orders.

“Our team quickly pivoted from educational technology tools to manufacturing medical face shields to address the critical shortage of PPE needed by frontline workers. We assessed our existing resources and put together a business plan that outlined how we would pivot our operations. After dozens of iterations, InkSmith prototyped a laser cut version of The Canadian Shield that can be mass produced to meet the needs of healthcare professionals and consumers across Canada. There were several lessons learned, particularly the importance of setting aside the belief that something is “too hard” to accomplish. In less than one month, we received Health Canada approval for our face shields, hired 250+ employees, secured a 50,000 square foot facility, landed a contract with the federal government for 10 million units, and are expanding our product line. While the transition was overwhelming at times, solutions existed for every challenge we encountered. We just needed to be brave enough to explore them.”

- Jeremy Hedges, CEO, InkSmith
PART 4: ONTARIO CHAMBER NETWORK #DifferenceMakers

KINSIP HOUSE OF FINE SPIRITS

Located in Prince Edward County, Kinsip paused the production of their craft alcohol products, including gin, whisky, and cassis, to make hand sanitizer. Owners Sarah Waterston and Michael Waterston have made the product available free of charge to healthcare and frontline workers at their farm gate and to customers who order their products online. They are also began working with institutions looking to purchase large quantities of hand sanitizer.

“\nWe had heard of craft distilleries in the United States making hand sanitizer and thought it was an interesting idea. But it was when the local pharmacies ran out of stock that we realized it was something we needed to do. We also knew that the local healthcare institutions were concerned about their supply. Even with the government starting to procure large quantities, there are still acute, local shortages. With craft distilleries distributed across the province, we are glad that our industry has been able to help keep our communities a bit safer.\n”

- Michael Waterston, Head of Production and Sales, Kinsip House of Fine Spirits

PRODUCING COVID-19 DETECTION KITS

NORGEN BIOTEK

Founded in 1998, Norgen Biotek is a privately-owned biotechnology firm based in Thorold. The company was able to quadruple its capacity to manufacture kits that collect, isolate, and detect the presence of the COVID-19 virus – an initiative they started earlier this year. The company also hired an additional 50 staff to help meet the strong demand for their detection kits. The shortage of supplies, including swabs that are inserted into a patient’s nasal cavity to collect a sample, presented a significant challenge. It takes Norgen Biotek four hours to produce a kit and one hour to yield a positive or negative test result for the virus.

“\nWe started scaling up production and adding staff in March 2020 as we could see that there was going to be a shortage of supplies. As soon as the Center for Disease Control (CDC) started issuing alerts and standards for how a diagnostic test should look, we moved rapidly. We developed a test kit for the collection, stabilization, and transport of swab-based samples, kits for the purification of the viral RNA, as well as primers, controls and Master Mixes for use in detection of the virus. Today, we have ramped up to over 500,000 test kits per week and took the necessary steps to get our products approved for diagnostic use in Canada and worldwide.\n”

- Dr. Yousef Haj-Ahmad, President and CEO, Norgen Biotek Corp.
“Microbix has been producing viral diagnostic reagents and test controls for years. In the case of the COVID-19 controls, our skilled scientists took about a month to complete product development. This, of course, is very rapid, but our team benefitted from the manufacturing and quality systems expertise that are already in place at Microbix. We are now starting to build out additional production capacity to service the growing Canadian and global need for reliable COVID-19 test controls and reagents.”

- Dr. Ken Hughes, COO, Microbix
We’ve learned that Ontario SMEs can be incredibly innovative and agile in developing partnerships and directing expertise and resources to collectively respond to a crisis that affects the whole world.”

- Stacey Curry Gunn, Director of Communications, PlantForm Corporation

FORMING PARTNERSHIPS TO DEVELOP A COVID-19 BLOOD TEST

With offices in Toronto and Sarnia, PlantForm is a privately-held Canadian biopharmaceutical company that focuses on the development and production of biosimilar and specialty antibodies and proteins using the company’s proprietary manufacturing process. As the pandemic took its course, South Korean officials discovered that many patients who recovered from COVID-19 were again testing positive for the disease. Most COVID-19 tests only confirm whether someone has been exposed to the virus, not if they have immunity. PlantForm partnered with three companies to produce reagents for blood tests that can identify antibodies in the blood that indicate immunity to COVID-19. If found to be effective, this would be one of Canada’s first blood tests to determine if a patient is indeed immune from the virus and therefore able to return to work. Through another series of partnerships, PlantForm is collaborating on the production of therapeutic antibodies for infected patients and healthcare professionals.53,54

HELPING PROTECT WORKERS AND CONSUMERS

Based in Markham, PCL Graphics has been designing and creating bespoke signage and display graphics for domestic and international markets for 35 years. Given the company’s close relations with customers on the frontlines, PCL Graphics realized the need for protection and lack of PPE to combat COVID-19. During the second weekend in March, their team developed several prototypes and adapted their equipment to produce wearable face shields, visors, and large screens. That following Monday, they sourced additional equipment and acrylic. By Wednesday, the company shipped their first order. The acrylic shield has been installed in drugstores, banks, and supermarkets. They also developed other products like floor decals to encourage social distancing in public spaces.

“By making PPE, we’re able to provide our staff and other frontline workers with more certainty and confidence in carrying on their duties. Thanks to our quick response to the pandemic and superior product quality, the reaction from clients has been overwhelming. Our amazing staff really rose to the challenge, working 24/7 to design new products, learn new production techniques, and fulfill the demand for PPE, despite material shortages across North America. The biggest lesson we learned is how important it is to be nimble, innovative, and react quickly to what is happening.”

- Armond Shahinian, Partner, PCL Graphics Ltd.
Based in Toronto, Cyclica is a biotechnology company that has built a first-in-class platform by innovating on the latest techniques in computational biophysics and artificial intelligence, along with leveraging a wealth of biochemical data. Their goal is to develop safer, more effective drugs for the treatment of diseases like cancer, neurodegenerative diseases, and complex mental disorders. In late January, the company quickly pivoted and put together a team dedicated to COVID-19. The team used their robust computational drug discovery platform to evaluate possible repurposing opportunities of over 10,000 FDA-approved drugs or molecules that have at least Phase 1 safety data to treat the coronavirus. The work involves assessing these drugs and tracking drug interactions against thousands of proteins in the human body to create what they call PolypharmDB. The company identified several promising molecules through PolypharmDB that could be fast-tracked for further testing and clinical trials by pharmaceutical companies. They shared their findings with research institutes and biotech companies around the world, and in April 2020 published their work in ChemR. Cyclica plans to hire up to 10 staff in the coming months to keep up with new and existing projects.

“We created a COVID Task Force well before COVID-19 was considered a pandemic or a global issue. It was initially a challenge for us to get a response from research institutions in North America or Europe – people didn’t take it seriously at first – so we partnered with institutions in Asia. We continued working on this vigorously. Now, through our initial work, and the Cyclica Stimulus Plan that we launched in March 2020, we have democratized access to our platform and partnered with close to 20 Canadian and global institutions to support their research in discovering medicines for COVID-19.”

– Naheed Kurji, Co-Founder, President and CEO, Cyclica
PART 4: ONTARIO CHAMBER NETWORK #DifferenceMakers

MINDBEACON GROUP

Dr. Khush Amaria is one of the Stronger Minds by BEACON clinical psychologists, providing insights Canadians can use to protect their emotional well-being.

PROVIDING DIGITAL MENTAL HEALTH SUPPORTS

Based in Toronto, MindBeacon Group provides digitally-enabled mental health and behavioural health services. Employers and insurance companies can add the BEACON therapist-guided digital therapy service to their benefit offerings. After completing an online assessment, a registered therapist tailors a personalized care path that considers the individual’s symptoms of depression, anxiety, insomnia, or post-traumatic stress, along with other individual needs. The individual is then supported and encouraged by their dedicated therapist via secure messaging. User traffic on the company’s website grew fifteen-fold with the onset of COVID-19. The company tripled its therapist roster across the country and anticipates its workforce will continue to grow to meet demand from Canadians seeking virtual care. The company also launched Stronger Minds by BEACON. This free, online program provides guidance created specifically by its in-house psychologists to help Canadians address the specific and evolving emotional health needs stirred by the COVID-19 crisis.

"We’re a mission-driven business that’s achieving groundbreaking successes in revolutionizing the delivery of mental healthcare. Healthier minds for all Canadians is within reach if our public sector can continue to create ways to partner with a private sector innovator like MindBeacon."

- Nadia Keung, Head of Marketing, MindBeacon Group

OFFERING CUSTOMERS GROCERY DELIVERY AND TAKE-OUT

In addition to being a farm-to-table restaurant in Timmins, Radical Gardens offers catering, a food truck, and a variety of organic mushrooms. Amid the pandemic, the company decided to once again provide customers with grocery delivery and take-out options. Owner and CEO Brianna Humphrey offered these options when she first started selling produce on her farm in 2012. Recognizing the renewed need during the pandemic, customers can now take advantage of these options through their website and app. Their “Apocalyptic Bodega” is a new offering on their website where customers can purchase bulk products, such as produce boxes, charcuterie boxes, and large quantities of day-to-day items like butter, sugar, and cereal, to name a few.

“I have learned through this that our customers are even more awesome than I thought. Also, we as a northern community need to be less reliant on our global food supply chain and focus more on building up local producers, which is something I have been fighting for, for a long time.”

- Brianna Humphrey, Owner and CEO, Radical Gardens

RADICAL GARDENS
PART 4: ONTARIO CHAMBER NETWORK #DifferenceMakers

**SALAMON COMMERCIAL AND FINE ART PHOTOGRAPHY**

A professional photographer, Russ Salamon has been serving local businesses in London, Tillsonburg, Woodstock, and across southwestern Ontario for over 30 years. Although he specializes in business portraits, taking photos of products, and architectural photography, he expanded his services during the pandemic. For instance, with the assistance of the Tillsonburg District Chamber of Commerce, Russ has developed plans to support local businesses by visually showcasing how they are retooling their operations and developing new products during the pandemic. Since Russ uses a long lens, he can observe social distancing while taking business portraits of entrepreneurs.  

“I have been prompted to change how I serve the local business community during this time by the simple fact that we are in this together! Support those that need help right now!”

– Russ Salamon, Salamon Commercial and Fine Art Photography

**HELPING BUSINESSES ADVERTISE**

HELPING CONNECT BUYERS AND SUPPLIERS

Based in Toronto, Tealbook empowers procurement teams with a platform that leverages advanced artificial intelligence to deliver better visibility, increased accuracy, and effortless analytics to help procurement teams access suppliers and supplies. As the pandemic disrupted global supply chains, many businesses were left scrambling to find alternative or more cost effective sources. Many employers were suddenly in need of critical personal protective equipment (PPE), including masks or gloves for workers. Some companies began producing entirely new products for the first time and were looking for buyers. Tealbook moved quickly to develop a marketing strategy to promote its large database containing profiles of over 400 millions of suppliers worldwide. It offered limited, free supplier reports and access to its database. This strategy helped Tealbook double its pipeline in five weeks and accelerated customer activation, including getting a federal government agency onboarded within 48 hours. The company expects to grow its revenue and hire an additional 24 employees this year.  

“*What we learned during this period is that you have to take chances! Our positioning as the ‘trusted source of supplier data that powers a $20B procurement software market’ remains the same, and today, we are helping companies that are looking for suppliers and supplies get through this crisis. We are right there with them, providing a must-have tool to allow businesses to quickly locate the products and services they need. People remember how companies respond to crises, and we feel good knowing that what we are doing today will position us as the leading data partner for the future.*”

– Stephany Lapierre, CEO, Tealbook

**TEALBOOK**

Photo credit: salamonphotoworks.com
PROTECTING CLIENTS AND FRONTLINE WORKERS

INTRODUCING NEW MEASURES TO PROTECT CLIENTS AND STAFF
Based in Dundas, Eccles Auto Service has provided automotive services since 1984. Owner Scott Eccles implemented new measures to meet social distancing requirements and protect the health of clients and staff. For instance, the company is not offering customers shuttle and courtesy car service during this period. To minimize physical contact, drivers leave vehicle keys in a drop box and can pay over the phone. Further, for vehicles in need of repair, great care is taken by staff who disinfect keys and every point of contact on the vehicle (e.g., handles, glove box, and shifters), both prior to commencing and after repair work is complete.

“I felt it was the responsible thing to do. Make sure not only my staff are protected but the customers as well. Maybe lead by example, have people or other business look at what you are doing and follow suit, to help flatten the curve.”

– Scott Eccles, Owner, Eccles Auto Service

IMPROVING COMMUNICATIONS FOR HEALTH CARE WORKERS
Based in Toronto, Hypercare is a digital app that helps health care workers communicate with one another effectively, reliably, and securely. Health care professionals currently rely on fax machines and pagers to coordinate care. Workaround options like WhatsApp raise serious patient privacy and security concerns. Recognizing this, Albert Tai, Dr. Joseph Choi, and Umar Azhar developed the app in 2016 in partnership with entrepreneurship hubs and grew to seven full-time staff. Hypercare is offering the app free of charge to hospitals for the next three months to fight the COVID-19 pandemic. During the pandemic, Hypercare has helped nursing homes triage and share information for vulnerable and frail patients, helped emergency departments safely discharge homeless patients to secure housing, and helped hospitals by alerting on-call ICU physicians and rapid response teams to deteriorating COVID-19 patients for rapid assessments and intervention.

“Healthcare workers are extremely happy to have a tool that improves collaboration and coordination for their patients. Administrators in the past put technology projects on the backburner until it was too late. This pandemic has really revealed the cracks in the system. It has put a spotlight on the frontline workers and their struggles, and the non-clinical folks are getting a real glimpse of the pressures and rampant burnout on the frontlines. Once hospitals and other healthcare organizations deploy our app, they never look back.”

– Albert Tai, CEO and Co-Founder, Hypercare Inc.
Based in Kitchener and founded in 2007, Trusscore is a material science company that focuses on developing sustainable building materials. When the pandemic hit, the company began considering what they could do to make a difference. They began building large panels that allow for physical distancing between patients and frontline health care workers in emergency departments. Not only do the walls help reduce the spread of COVID-19, they also help conserve the use of PPE. At first, they developed four prototypes of their temporary walls and reached out to two local hospitals to test the product. They have expanded to about ten hospitals in Ontario, with hospitals in Manitoba and Quebec also using the product. Trusscore can build up to 400 temporary walls a day, using 100 percent recyclable materials.

PROTECTING PATIENTS AND HEALTHCARE WORKERS

“While planning our pandemic response, the conversation quickly turned to what we could do to help. One of our products was already used to divide livestock and had been used in the swine flu pandemic, so we started prototyping how we could use it to divide people in hospitals. Over the next few days, we iterated with feedback from ER doctors and delivered the first of our TempWall systems to three hospitals—all within two weeks. TempWall is now being used as a physical distancing solution in hospitals, long-term care homes, and retail stores as businesses reopen. The support of our community and local businesses has been remarkable. During a time of need, we have all pulled together and want to play our part in stopping the spread of COVID-19.”

– Dave Caputo, CEO, Trusscore

Helping Frontline Workers and Small Businesses

Family owned and operated since 1965 in London, Collins Clothiers sells formal and casual menswear. During the pandemic, the company launched four new product lines. They produced a new line of t-shirts, hoodies, and a thermos with the message “Canada Strong 2020.” By partnering with Couriers Plus, Collins is offering free shipping for their Canada Strong products in Southwestern Ontario. Collins is also selling merchandise that acknowledges frontline workers, with the message “COVID Warrior” on socks, for example. Further, the company produced apparel with humorous and timely messages, such as “Keep Calm and Stay Home.” Ten percent of the sales from all these items go to support a small, local business or frontline workers. Customers get to nominate the local business or area of frontline workers they would like the funds to be directed to (e.g., health care, grocery clerks, etc.). Finally, the company is producing masks, with 20 percent of sales directed towards making and distributing masks to the homeless and those at-risk.

“We shifted our distribution plant to start making masks, PPE, and Canada Strong brand apparel using our stores, sewers, designers, and staff working from home. With a dedicated team, we developed and executed the idea for Canada Strong within five days and, by those same efforts, it continues to grow.”

– Emma Earley, Marketing Assistant, Collins Formal Wear

10% goes into a fund for small businesses

Nominate a small business at checkout, your input decides the beneficiaries!

CollinsClothiers.com/CanadaStrong
Since COVID-19 hit, there has been an extraordinary increase in demand for our product. New companies joining the platform are up 400 percent in eight-weeks versus the previous 24 months. Completed sessions are up 700 percent. While it is exciting that many more people are getting the support they need, keeping up with demand has been a significant challenge. All aspects of our company have been stretched and the team has done an incredible job rising to the occasion.

– Luke Vigeant, Co-Founder and CEO, Inkblot Therapy Inc.

I think the most valuable learning through this crisis has been how important it is for businesses to pivot quickly. In a matter of days, we incorporated a new e-commerce platform, which provided us with the opportunity to get product direct to consumers. We acted swiftly and learned along the way, working out a few kinks in the initial days after launching. Consumers were pleased to have another access point to our products, and I believe this new revenue stream is here to stay.

– Jenna Anderson, Director of Sales and Marketing, Shawn & Ed Brewing Co.
PART 4: ONTARIO CHAMBER NETWORK #DifferenceMakers

CONNECTING REMOTE AND FIRST NATIONS COMMUNITIES WITH ESSENTIAL PRODUCTS

Based in Thunder Bay, Superior Strategies Supply & Service is a 100 percent Indigenous owned business that offers a variety of safety and industrial products for different sectors in northern Ontario. When the pandemic started, First Nations entrepreneur and owner Jason Thompson began sourcing hand sanitizer, surgical masks, N95 masks, and coveralls for remote First Nations communities, as well as rural and urban markets in the north. Jason’s team has stringent processes in place to ensure the company procures only reputable products within Canada or abroad. These timely supplies have been well-received by northern and First Nations communities.

“While navigating these unprecedented times, we relied heavily on a strong supply network, domestically as well as internationally, to access and provide these products quickly and at a fair price for customers. We have taken great pride in helping deliver essential COVID-19 related products to Indigenous communities and organizations. The strength of our team was definitely apparent as roles and tasks changed to meet new demand. Each team member stepped up, delivering exceptional customer service, and I could not be more proud. As a small business owner for over 10 years, we learned early on the value of being flexible, especially while serving a smaller market over a vast geographical region. COVID-19 allowed us to demonstrate these skills to customers, proving we can deliver no matter the circumstance.”

– Jason Thompson, Owner, Superior Strategies Supply and Service

THE OTHER BIRD

FEEDING NURSES AND FRONTLINE WORKERS

The Other Bird is a Hamilton-based hospitality group that has been in operation since 2010. The company has a total of six restaurants across Ontario and a boutique hotel, while also catering corporate and private events. When the pandemic hit, the company began delivering lunches to nurses and staff in various hospitals, as well as to frontline workers at food banks and the local YWCA. To date, they have delivered over 300 meals and have received numerous donations from members of the community to increase the reach of this program.

“The restaurant industry has a bad habit of spinning its wheels for small margins. COVID has taught us we can no longer operate this way. From now on we’re going to run our company in a way that supports the things we do in the community and our staff getting paid a living wage. We can’t compete with discount brands AND be the organization we want to be. We choose purpose, guest experience and a sustainable workforce.”

– Erin Dunham, CEO, Other Bird Group
Despite the challenges created by the COVID-19 pandemic, Ontario’s SMEs have stepped up and proved why they are such important contributors to both the provincial and national economies. Many have offered new products and services, modified existing processes, or retooled their operations to manufacture critical supplies. In addition to pivoting their business models, many SMEs have found unique and generous ways to give back to those on the frontlines of combatting the pandemic. At the same time, many SMEs across Canada have been forced to make hard decisions, including laying off staff or closing their doors. Given the important role that SMEs play and disproportionate impact the coronavirus has had on SMEs, government should continue to monitor the effects on SMEs.

While questions remain about how long the crisis will last and what the full impact will be – on society, the business community, and the economy – a few notions are clear: every crisis provides a learning opportunity. The new products/services that many SMEs developed during the pandemic may become permanent offerings. As Canadians stayed home, many businesses were able to remain open or even grow because of their online sales. However, those in rural, remote, and northern parts of the province were at a disadvantage. This underscores the need for continued advocacy as many communities need additional supports and resources to help SMEs adapt, including access to broadband internet to enable e-commerce.

As the Government of Ontario moves to phase two of its recovery plan, Ontario’s entrepreneurs and SMEs will be a critical stakeholder group and ally. The OCC and our 135 chambers and boards of trade from across the province remain steadfast in our commitment to working with all levels of government to help chart the path forward and support the SMEs and entrepreneurs on whose behalf we advocate.
Footnotes


12 Ibid.

13 Ibid.


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31 Murray, James. “Anishnawbe Business Professional Association Urges Gov’t to Support First Nation
Footnotes


37 Ibid.


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60 Innovation Economy Council. The Post-Viral Pivot: How Canada’s Tech Startups Can Drive the Re-
Footnotes


