

Shop local,
sell global



Investing in Small Businesses' Digital Transformation

2025 Ontario Pre-Budget Submission: Digital Main Street

Introduction

Small businesses are the backbone of Canada's economy, representing 97.9% of all businesses and employing 63% of the workforce. Yet, many of these enterprises are struggling to remain competitive in an increasingly digital world. Challenges such as **the threat of U.S. imposed tariffs**, high costs, complex integration processes, limited digital literacy, and rising cyber threats are stalling their ability to thrive.

Despite their crucial role, small businesses are highly susceptible to economic downturns and to remain competitive. Small businesses need assistance in adopting digital technologies. Without continued support to ensure they are evolving to meet the ever-changing needs of the consumer, as well as other challenges – small businesses continue to be at a greater risk daily of closing.

Digital Main Street has already supported >87,000 businesses across Ontario. We not only have updated and modernized programming to help businesses meet the evolving technology needs and address the critical gap they face, but we deliver the only of its kind training and support locally in their community, meeting businesses where they are and providing a completely customized and tailored solution to every business we interact with. Different from other programs and opportunities that service the small and medium market, this model provides the greatest ROI for true small businesses (0-20 employees) who battle with time, knowledge and funding issues.

Digital Main Street has strong support from Municipal leaders across Ontario who have delivered and value the program, including but not limited to the Ontario Big City Mayors, Western Ontario Wardens, Eastern Ontario Wardens, and Eastern Ontario Leadership Council. Leveraging this support allows us to deploy hyperlocal, impact focused programming very quickly.

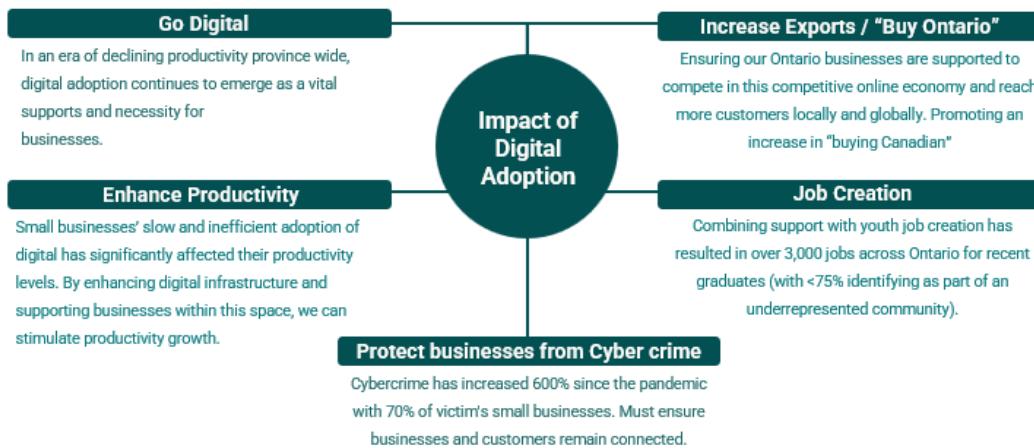
Investing in this local programming will yield significant public benefits to help Ontario's small businesses at a time when they are risk. This includes helping them go digital, increase exports, identify new audiences and markets to drive the "Buy Ontario" narrative, as well as creating and maintaining thousands of jobs and more.

Looking ahead, generative AI and other emerging technologies hold the potential to drive significant productivity growth. By introducing these technologies carefully and strategically, we can maximize their benefits for small and micro businesses. Digital Main Street is dedicated to assisting businesses in learning and navigating these technologies safely and effectively, ensuring they fully comprehend their scope and impact. With a tried and tested model, partnership network and infrastructure, we are able to deploy

programming across Ontario very quickly, so businesses are receiving support as soon as possible. This model has scaled across Ontario and Canada enabling us to support well over 100,000 businesses to date.

Recommendations:

- \$15M investment over fiscal years 2025/2026 and 2026/2027 to support over 10,000 small businesses in Ontario per year and provide thousands of hours of direct 1-1 support.
- Re-establish the Digital Service Squad program in Ontario as delivered by Digital Main Street in collaboration with Small Business Enterprise Centers, Business Improvement Areas, Community Futures and others.
- Additionally:
 - Futureproof Ontario's "small businesses" by ensuring they have the support and guidance they need to **adopt new technologies safely and securely**.
 - Create 100+ local jobs for recent graduates yearly to deliver digital transformation programming and support in the field.



Digital Main Street – A Lifeline for Small Businesses

Digital Main Street is a program that helps main street businesses achieve digital transformation. The program is built around an online learning platform, structured training

programs, and a team of digital transformation experts who help main street businesses grow and manage their operations through technology.

Digital Main Street was created by the Toronto Association of Business Improvement Areas (TABIA) with direct support from the City of Toronto. DMS is supported by a group of strategic partners who provide training, product support, and upskilling opportunities for businesses and youth.

The program was created back in 2014 based on the needs identified by TABIA through ongoing discussions with our local small businesses. It became clear that they lacked any type of meaningful support to help them adopt digital tools and technologies.

Since its inception, **DMS has been a tried and tested solution, directly supporting over 110,000 businesses across Canada (including 87,000 + across Ontario) with their digital transformation efforts.** By empowering businesses with tailored digital strategies through their e-commerce, digital marketing, cybersecurity and AI journeys, DMS has created thousands of jobs, increased business revenues, and enhanced community resilience.

Behind these numbers are real stories – the family-owned restaurant that survived COVID-19 by launching online ordering, the local retailer who now sells globally, and the traditional craftsperson who found new customers through social media marketing. They all continue to need help as they face new and evolving challenges and competition.

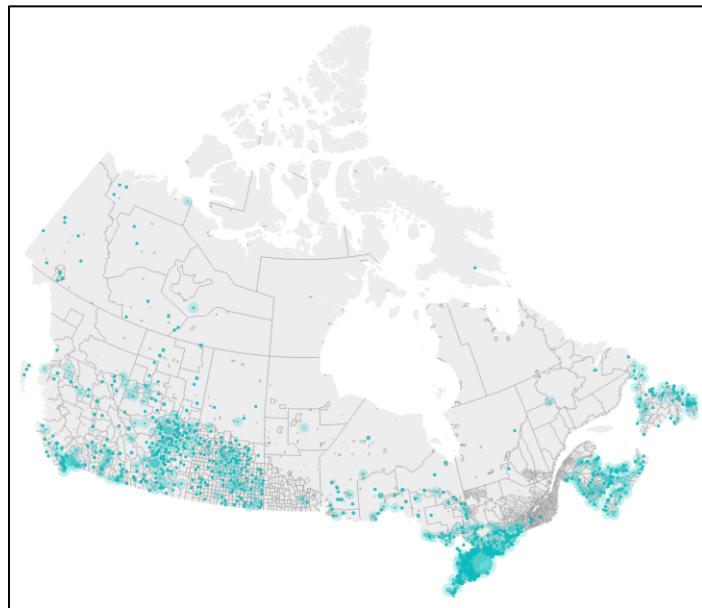


Figure 1: Heatmap showing DMS support for business across Canada

Small Businesses Need Help.

Our small businesses – are facing unprecedented challenges. Many are struggling to keep pace with digital adoption while dealing with potential U.S. tariffs and mounting cybersecurity threats. For a small business owner, this could mean the difference between growth and closure. The consequences for small businesses could be dire, particularly as they grapple with:

- **Lagging digital adoption**, hampering their productivity and competitiveness.
- The **threat of U.S.-imposed tariffs**, highlighting the need for diversified markets and stronger export capabilities. Helping support the idea of “buying Ontario made” by ensuring small businesses can “Shop Local , Sell Global”.
- **Increasing cyber risks**, leaving them vulnerable to financial and reputational damage.

The impact of small businesses on our economy cannot be understated:

- **97.9%** of businesses across Canada are “**small businesses**” with 1-99 employees.
- Small businesses employ approx. **46.8% of the total private sector workforce**.
- As of 2020, **small business contributed 35% to the GDP** generated by the private sector in Canada
- In 2022 – SMEs were responsible for **\$293 billion or 41% of Canada’s total value of good exports**

With the looming threat of tariffs, ever changing digital and cybersecurity landscape, and introduction of new and innovative technologies like generative AI, our Ontario small businesses need support more than ever.

SMALL BUSINESS CHALLENGES	Slow and inefficient digital adoption	Imminent threat of US-imposed tariffs	Increasing threat of cyber attack
SOLUTIONS	<ul style="list-style-type: none">• Tailored and specialized digital support for SMBs• Accessible resources and training	<ul style="list-style-type: none">• Encourage diversification through global markets• Promoting shopping local• Digital trade strategies	<ul style="list-style-type: none">• Cybersecurity training• Ongoing support• Advanced digital tools
WHY DIGITAL MAIN STREET?	DMS has supported 110,000+ businesses with tailored and practical digital adoption support.	DMS programs are proven to help businesses establish and grow eCommerce presence, and adapt strategies to tap into new markets.	DMS delivers targeted training and resources in partnership with industry leaders to mitigate cybersecurity risks, empowering businesses to protect their data and maintain customer trust.

Impacts of Investment

We're seeking a **\$15,000,000 investment** over fiscal years 2025/2026 and 2026/2027 to continue this vital work. This investment would allow us to support over 10,000 businesses per year and provide thousands of hours of direct 1-1 support. This would allow DMS to support businesses in the following ways:

- **Advance productivity** by equipping businesses with digital tools.
- **Protect businesses from cyber threats** through enhanced awareness and training.
- **Promote economic growth** by fostering a digitally savvy workforce and expanding global market access.
- **Support underserved communities** while creating 100+ jobs yearly for recent grads and young professionals.

This investment would allow us to launch the Digital Service Squad across communities all over Ontario in collaboration with local partners (SBECs, BIAs, Community Futures and more).

What makes DMS unique is its community-first approach. We work directly with local organizations – from Small Business Enterprise Centers to BIAs – ensuring support is tailored to each community's specific business needs. By working directly with business owners, customizing solutions to meet their unique business requirements, we aim to empower small businesses, driving economic growth and fostering a resilient, digitally savvy small business economy.

Measures of success include:

- **Businesses supported** – 10,000+ businesses per year will be supported under the program
- **Jobs created** – estimate of 100 direct local jobs created per year, and 10,000+ jobs maintained each year throughout the programs
- **Revenue increase** – captured through a survey of businesses
- **Increase in exports and market** – captured through a survey of businesses

Digital Main Street is more than just a program—it serves as a vital lifeline for small businesses facing the challenges of the digital age. Ongoing investment is essential to empower these businesses to adapt, grow, and drive Ontario's economic progress through increased productivity.

“The impact the Digital Main Street program has made in Hamilton is substantial. Through the program we have helped a thousand plus businesses digitally transformation the way they do business. With the speed in which technology and the economy is changing, the need to continually evolve, and support

businesses to keep pace is essential.” – City of Hamilton

How is Digital Main Street different?

Small businesses in Ontario and Canada are often defined as having 1-99 paid employees. However, this definition fails to capture the tremendous diversity within small businesses. Many of the smallest businesses fall through the cracks of traditional support programs, as they lack the human and financial capital to access or implement large-scale digital transformation initiatives.

Digital Main Street (DMS) has long focused on the true “mom-and-pop” main street businesses—those with deep community roots, small teams, and limited resources for major operational changes. These businesses don’t just need a roadmap; they need hands-on, customized support that allows them to learn, adopt, and increase productivity in a meaningful way.

DMS exemplifies this by focusing on:

1. Hands-On Business Owner - Focused Support for “Small Businesses”
 - a. Unlike other programs that rely on third-party consultants to implement digital strategies, DMS provides direct 1:1 support through Digital Service Squads (DSS). This ensures that true small businesses actively build capacity, develop digital skills, and sustain their own digital adoption efforts—rather than depending on external consultants. This approach directly improves productivity and long-term sustainability for small business owners.
2. Strong Community Partnership Model
 - a. DMS takes a grassroots, community-driven approach, collaborating with municipalities, Business Improvement Areas (BIAs), chambers of commerce, and more to tailor support to the needs of small businesses. This ensures that digital transformation is accessible and relevant to businesses that might otherwise struggle to qualify for traditional SME-focused programs.

3. Focus on Job Creation and Small Business Accessibility

- a. DMS is not just about supporting businesses—it's about creating opportunities. The program has already created over 3,000 jobs for youth across Ontario, equipping them with in-demand digital skills. Additionally, DMS is free to access, offering resources, and programming specifically designed for local small businesses—unlike other programs that require complex applications or target larger SMEs.

Other areas of differentiation include:

Aspect	Digital Main Street (DMS)	Other Programs currently available
Core Objective	Empower small businesses to adopt digital technologies for growth, productivity, and competitiveness in local and global markets.	Support SMEs with digitalization strategies, enhancing their operational efficiency and competitiveness through technology adoption.
Target Audience	Small businesses, often in local main street areas, across Ontario.	Small and medium-sized enterprises (SMEs) in Ontario, especially in industrial sectors like manufacturing.
Program Focus	Digital marketing, e-commerce, CRM systems, AI, cybersecurity, and operational streamlining. Responsive and reactive programming allowing adjustment based on market and introduction of new topics or changes to existing tools.	Industry 4.0 technologies, automation, AI, IoT, and process improvements for advanced manufacturing and operations.
Delivery Approach	Hands-on, 1:1 support through Digital Service Squads (DSS), workshops, online resources.	Direct advisory services, funding for specific digitalization projects, and access to expert networks.
Upskilling	Work with business owners directly to ensure they are building capacity, and increasing productivity while adopting digital tools.	Third party consultant hired to do the plan and work. Limited direct upskilling of business owner.
Youth Employment	Focus on upskilling youth, creating over 3,000 jobs for diverse groups across Ontario, with training for digital roles.	No specific youth-focused component.
Partnership Model	Collaborates with municipalities, BIAs, chambers of commerce, and corporate partners like Google and Mastercard.	Partnerships with research institutions, and businesses focused on Industry 4.0.
Accessibility	Free to access, with resources and grants designed for small, community-based businesses.	Requires more formalized applications, with criteria tailored to advanced SME projects.

Industry Focus	Broad range of industries with an emphasis on retail, food, service, and community-focused businesses.	Focused more on technology-heavy industries like manufacturing, logistics, and advanced production.
Digital Tools Emphasis	Strong emphasis on user-friendly tools like e-commerce platforms, website development, and CRM software. Focus on increasing SMB productivity	Prioritizes advanced technologies, including AI, automation, and IoT solutions for manufacturing and operations.
Success Metrics	Over 110,000 businesses supported and 3,500+ jobs created since inception.	Success measured through funded projects, enhanced digital competencies in SMEs, and Industry 4.0 adoption.

Support from Organizations

Many organizations from across Ontario have formally supported the Digital Main Street program and its continuation. These organizations represent communities across the province, including urban/rural and big/small towns – showcasing the reach and impact this type of support can have.

- **Western Ontario Wardens Caucus** – Moved by Mayor D. Canniff (Chatham Kent) and seconded by Mayor R. Ehgoet (Perth East)
- **Eastern Ontario Wardens Caucus** – Moved Warden B. Clark (Peterborough County), and seconded by Warden J. Wise (Lennox and Addington)
- **Eastern Ontario Leadership Council** – Moved by Warden B. Clark (Peterborough County) and seconded by Mayor D. Elmslie (Kawartha Lakes)
- **Ontario Big City Mayors Caucus** – Moved by Mayor M. Siscoe (St. Catharines) and seconded by Mayor D. Canniff (Chatham-Kent)

For more information:

John Kiru

CEO at Toronto Association of Business Improvement Areas (TABIA)
Ontario Corporation Number: 1495429

1-100 Princes' Blvd. Toronto, ON. M6K 3C3
(416) 889-4111
jkiru@toronto-bia.com
www.toronto-bia.com