



BDC STUDY

# WHAT'S HAPPENED TO CANADA'S MID-SIZED FIRMS?



Canada

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# SUMMARY

## Mid-sized firms represent:

### JOBS IN THE COUNTRY

16%

### CONTRIBUTION TO GDP

12%

### VALUE OF OUR EXPORTS

17%

2006

### NUMBER OF CANADIAN MID-SIZED FIRMS

17% ↓

2010

While representing less than 1% of the total number of firms, Canada's mid-sized firms (private enterprises with between 100 and 499 employees) account for 16% of all jobs, and generate 12% of our national GDP and 17% of the value of our exports. Given this important economic contribution, BDC wanted to understand whether they were growing or declining in size and number – and why.

The results of our research are sobering. From 2006 to 2010, the number of Canadian mid-sized firms decreased by 17% (from 9,370 to 7,814). The manufacturing sector was particularly hard hit, with over half of the mid-sized firms disappearing from 2001 to 2010 (from 2,807 to 1,381). The rise of China, the steep increase of the Canadian dollar, the credit tightening generated by the financial crisis and the recession that followed certainly contributed to this decline.

On average, 14% of mid-sized firms became small firms (i.e., fewer than 100 employees) or closed down each year during this period, while 1.4% grew to become large corporations with more than 500 employees.

However, the news is not all bleak. Half of all mid-sized firms had an average annual sales growth of 4% in the past three years, with 7% experiencing an annual growth of 20% or more during the same period. Moreover, 64% of mid-sized firm leaders believe their annual sales will increase by 4.5% over the next three years, and 4% expect to become large firms during this time. Interestingly enough, mid-sized firms with a board of directors or an advisory board are more likely to report an increase in projected sales than those without.

When asked what prevented their companies from growing into large firms, mid-sized firm owners cited three main reasons:

- > availability of financing;
- > employee acquisition and retention; and
- > fierce competition.

Given the contribution of mid-sized firms to the vibrancy of Canada's economy, BDC will closely monitor the situation and work with other stakeholders to take whatever actions possible to reverse this trend.

# OTHER KEY FINDINGS

- > The vast majority (83%) of Canada's mid-sized firms are privately owned. Over a third (37%) have their head office in Ontario, followed by 27% in Quebec, 19% in the Prairies, 12% in British Columbia, and 6% in the Atlantic region.
- > The main sectors in which mid-sized firms are active include manufacturing (18%), retail (16%), business services (14%), accommodation and food services (13%), and construction (8%).
- > While the total number of Canadian mid-sized firms declined in all regions, Ontario experienced by far the biggest loss. From 2006 to 2010, mid-sized firms in this province diminished by 25% (from 3,810 to 2,861).
- > Over 80% of mid-sized firms are in the 100 to 249 employee category.
- > The ability to attract and retain key employees is challenging for 45% of Canadian mid-sized firms.

# INTRODUCTION

BDC undertook two research initiatives to better understand the profile, economic impact, dynamics and challenges of Canadian mid-sized firms (100 to 499 employees).

The vast majority of Canadian firms are small. Indeed, 55% have fewer than five employees and 98% fewer than 100.<sup>1</sup> This explains, in large part, why there is generally more attention placed on the characteristics and growth challenges facing small firms. At the other end of the spectrum, issues facing large private organizations are well known. They employ a significant share of the labor force (16%) and regularly make the headlines in major newspapers. But mid-sized firms, defined as those with between 100 and 499 employees, often fall under the radar. In fact, the views of mid-sized firms generally are blended into studies on small and medium-sized enterprises (SMEs) which, in fact, end up reflecting more the views and perspectives of smaller, private organizations.

A large part of Germany's economic success is widely attributed to the dynamism of its "Mittelstand" (medium-sized) businesses. Mostly mid-sized, these resilient and versatile Mittelstands are recognized as world leaders in their niche. With this in mind, BDC undertook two research initiatives to better understand the profile, economic impact, dynamics and challenges of Canadian mid-sized firms. The results are presented in this report.

First, after compiling existing statistics on mid-sized firms, we discovered an important data gap. To obtain the data we were seeking, we asked Statistics Canada's Economic Analysis Division to provide us with a longitudinal database on mid-sized firms. The data produced by Canada's statistical agency came from the Longitudinal Employment Analysis Program database, which is structured at the enterprise level (the most aggregate level of private firms). These data allowed us to better understand trends among mid-sized businesses from 2001 to 2010, by region and industry. A second research project to fill another information gap saw us conduct a survey of key decision-makers in mid-sized firms, with the help of the market research firm Harris/Decima. This survey allowed us to learn about mid-sized firms' competitive advantages and disadvantages, internal and external challenges, as well as what prevents them from becoming large organizations (defined as firms above the 500 employee threshold).

Our research results show that although mid-sized firms represent a small portion of the business population, they are an important driver of the Canadian economy. In fact, they punch above their weight with regard to their impact on employment and gross domestic product (GDP). Typically, they should become the next large private organizations, the next large multinationals. However, our analysis shows that mid-sized firms in Canada are facing major challenges. In this report, we describe the situation and provide possible explanations for this phenomenon. We also shed some light on the specific issues preventing mid-sized firms from getting to the next level.

1. Statistics Canada, Business Register.

# PROFILE AND ECONOMIC IMPACT OF CANADIAN MID-SIZED FIRMS

NUMBER OF MID-SIZED FIRMS IN CANADA

7,814

Most generate gross annual revenue of at least

\$10 million

with average annual revenues of

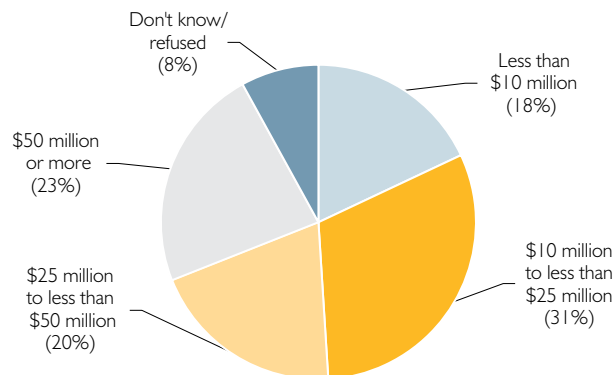
\$34 million

## Overall profile of Canadian mid-sized firms

Canadian mid-sized firms are commonly defined as firms that have from 100 to 499 employees. Canada has 7,814 mid-sized firms, representing only 0.85% of the total business population. Most mid-sized firms are on the small end of the spectrum. Indeed, more than eight out of 10 mid-sized firms are in the 100 to 249 employee category.

Most of them generate gross annual revenue of at least \$10 million, with average annual revenues of \$34 million (see Figure 1).

Figure 1: Canadian mid-sized firms' annual revenues in their last fiscal year



Source: Harris/Decima, *Survey on Business Challenges of Mid-Sized Firms*, September 2012, 301 respondents.

Over one third (37%) of mid-sized firms' head offices are in Ontario, followed by 27% in Quebec, 19% in the Prairies, 12% in British Columbia and 6% in the Atlantic region. The top five sectors in which they are active include: manufacturing (18%); retail (16%); business services (14%); accommodation and food services (13%); and construction (8%).<sup>2</sup>

2. Statistics Canada's Economic Analysis Division, Longitudinal Employment Analysis Program database, 2001 to 2010.

AVERAGE LENGTH OF  
TIME IN BUSINESS

39 years

PERCENTAGE  
THAT ARE  
PRIVATELY OWNED

83%

AVERAGE  
SALES EXPORTS

30%

On average, mid-sized firms have been in business for 39 years. The vast majority (83%) are privately owned, either by single (30%) or multiple owners (53%). Only 8% are publicly traded companies listed on the stock exchange. Three out of five mid-sized firms have a board of directors (50%) or advisory board (10%). Slightly more than a third (35%) has neither. Close to six out of 10 mid-sized firms (57%) sell their goods or services outside of Canada, with sales exports averaging 30%.<sup>3</sup>

### Economic impact of Canadian mid-sized firms

While mid-sized firms account for a very small proportion of Canadian firms, their impact on the economy is significant. Indeed, their contribution to GDP is estimated to be roughly 12%.<sup>4</sup> They are also responsible for 16% of employment.<sup>5</sup>

Furthermore, mid-sized businesses represent 11% of all exporters and their exports account for 17% (or \$52 billion) of the total value of exports.<sup>6</sup> It is also worthwhile mentioning that a greater proportion of mid-sized firms have their head office in Canada, compared to large firms (90% versus 77%).<sup>7</sup>

3. Harris/Decima, *Survey on Business Challenges of Mid-Sized Firms*, September 2012, 301 respondents.

4. Statistics Canada, *Small, Medium-Sized and Large Businesses in the Canadian Economy: Measuring Their Contribution to Gross Domestic Product in 2005*, May 2011.

5. Statistics Canada's Economic Analysis Division, extraction from the Longitudinal Employment Analysis Program database for 2010.

6. Industry Canada, *Key Small Business Statistics*, July 2012.

7. Industry Canada, *Survey of Innovation and Business Strategies*, 2009.

## 2. DECLINE OF MID-SIZED FIRMS IN CANADA

2006

CHANGE IN NUMBER OF MID-SIZED FIRMS

17% ↓

2010

2001

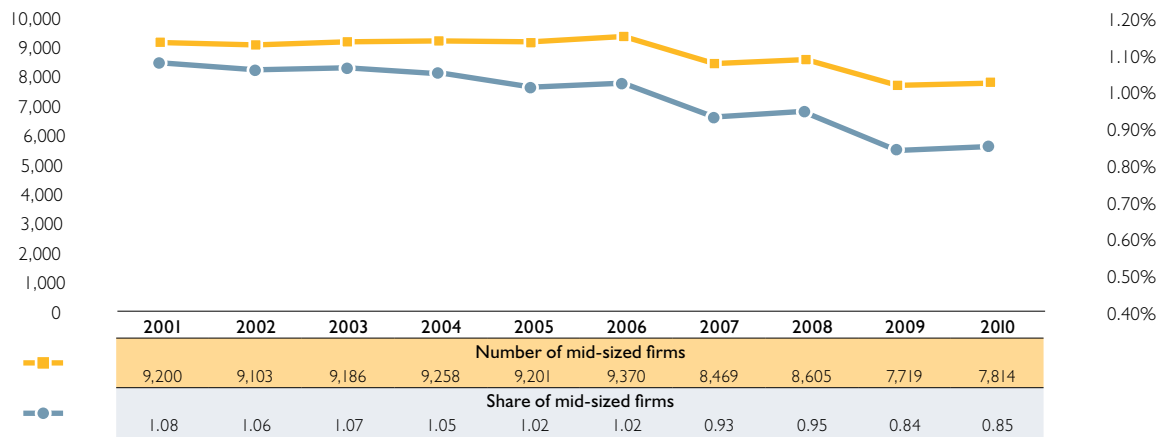
CHANGE IN NUMBER OF MID-SIZED MANUFACTURERS

51% ↓

2010

Based on the new and more robust data produced by Statistics Canada for BDC on the dynamics of mid-sized firms in the country, we found that their numbers declined significantly during the last decade. While the number of mid-sized firms increased slightly (from 9,200 to 9,370) from 2001 to 2006, it then dropped to 7,814 (a 17% reduction) by 2010.<sup>8</sup> At the same time, the proportion of medium-sized firms among all Canadian enterprises decreased from 1.08% in 2001 to 0.85% in 2010. Figure 2 illustrates this trend.

Figure 2: Evolution in the number and share of mid-sized firms



Source: Statistics Canada's Economic Analysis Division, Longitudinal Employment Analysis Program database, 2001 to 2010.

### Industrial Change

As previously mentioned, mid-sized enterprises operate in a variety of sectors. In 2010, they were more prevalent in the following five:

- > manufacturing (18%)
- > retail (16%)
- > business services (14%)<sup>9</sup>
- > accommodation and food services (13%)
- > construction (8%)

Data show that in 2001, 30% of mid-sized firms were operating in the manufacturing sector. From 2001 to 2010, the number of Canada's mid-sized manufacturers plummeted by 51% (from 2,807 to 1,381), representing a loss of 1,426 firms. As illustrated in Figure 3, the downward trend among mid-sized manufacturing firms began in 2005 and steepened after 2006.

8. The latest year for which data are available.

9. Includes 1) administrative and support, waste management and remediation services, 2) professional, scientific and technical services, and 3) management of companies and enterprises.



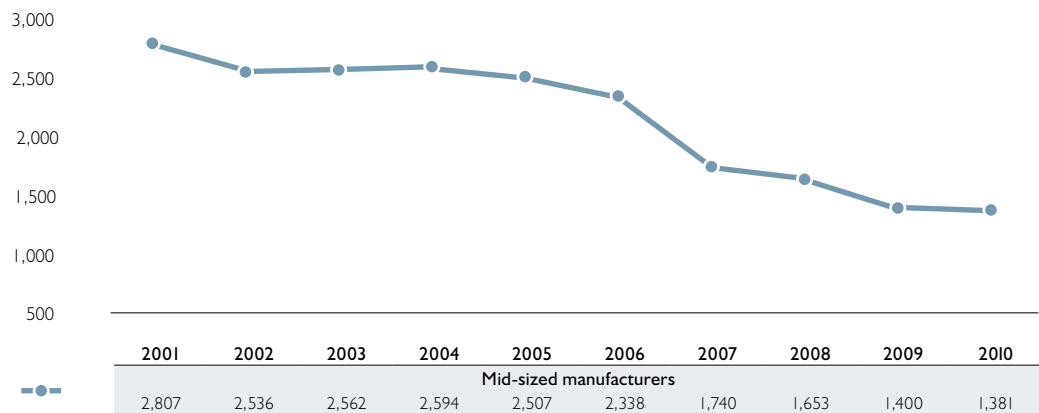
2001

**CHANGE IN NUMBER OF MID-SIZED RETAILERS**

**34%** ↑

2010

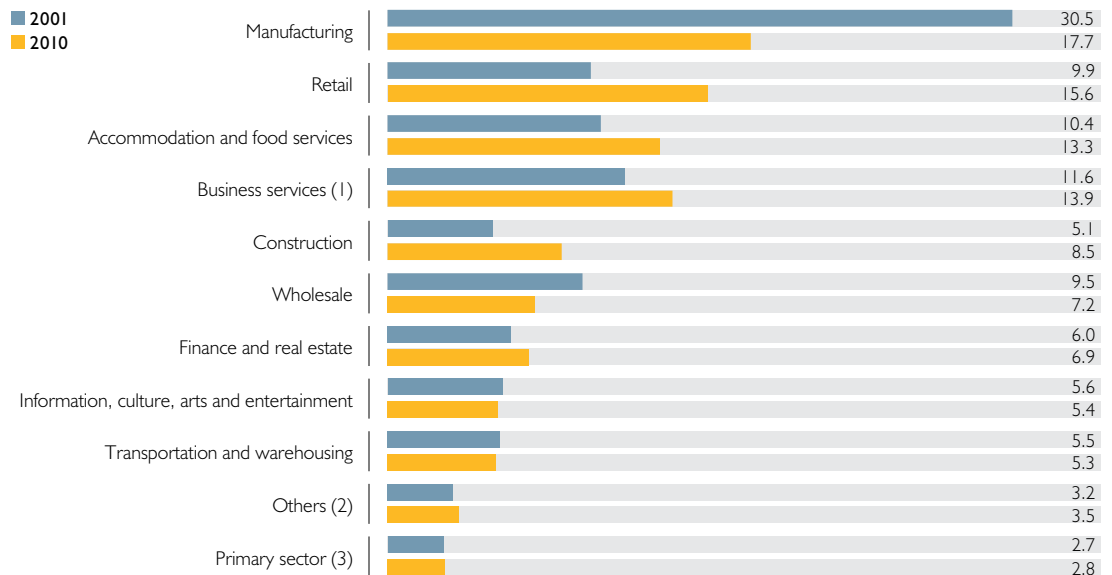
**Figure 3: Number of mid-sized manufacturers**



Source: Statistics Canada's Economic Analysis Division, Longitudinal Employment Analysis Program database, 2001 to 2010.

Contrary to the manufacturing sector, the number of mid-sized retailers increased by 34% over the same 10-year period, from 908 to 1,216. The number of companies in the business services sector has been relatively stable, with the exception of those operating in the professional, scientific and technical services sub-sector, which dropped by 18% (from 514 in 2001 to 423 in 2010). Firms in the accommodation and food services sector have been on an upward trend, increasing from 954 in 2001 to 1,104 in 2008, followed by a slight decrease to 1,039 in 2010. The number of mid-sized firms in the construction industry increased steadily from 473 in 2001 to 715 in 2008, and then fell slightly to 663 in 2010. As a result, the distribution of Canadian mid-sized firms by industry changed significantly over the decade. Figure 4 illustrates the shift toward services industries.

**Figure 4: Distribution of mid-sized firms, by industry**



Source: Statistics Canada's Economic Analysis Division, Longitudinal Employment Analysis Program database, 2001 to 2010.

(1) Includes professional, scientific and technical services; management of companies and enterprises; and administrative and support, waste management and remediation services.

(2) Includes health care and education; and other services (except public administration).

(3) Includes agriculture, forestry, fishing, hunting; mining and quarrying; and oil and gas extraction.

2006

**CHANGE IN NUMBER OF MID-SIZED FIRMS IN ONTARIO**

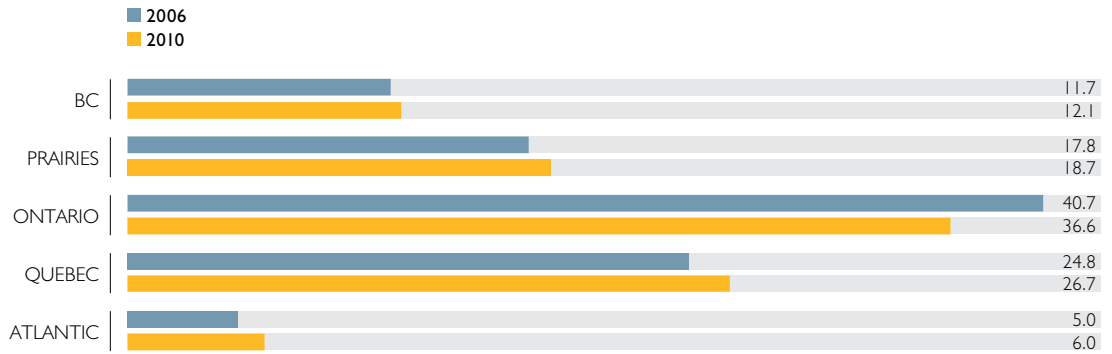
**25%** ↓

2010

### Regional change

In 2010, over 60% of mid-sized firms were located in Ontario or Quebec. While their numbers declined in all regions over the last 10 years, Ontario was by far the most affected. Indeed, the number of mid-sized firms in Ontario went from 3,810 in 2006 to 2,861 in 2010, a 25% decrease. As a result, Ontario's share of all Canadian mid-sized firms dropped from 41% in 2006 to 37% in 2010. Figure 5 illustrates the change in the distribution of mid-sized firms by region over the last decade.

**Figure 5: Distribution of mid-sized firms by region**



Source: Statistics Canada's Economic Analysis Division, Longitudinal Employment Analysis Program database, 2006 and 2010.

# 3. WHY THE DECLINE OF MID-SIZED FIRMS IN CANADA?

PERCENTAGE OF  
MID-SIZED FIRMS IN  
100 TO 249 EMPLOYEE  
CATEGORY

>80%

Looking at the decrease in the number of mid-sized firms over the last decade raises the question of what happened to them. Did they become larger or, on the contrary, did they decrease in size or even disappear? From the new Statistics Canada database, we learned that very few mid-sized firms became large corporations, i.e., reached the 500 employee threshold. On average, 1.4% of Canadian mid-sized firms reached this size on a year-over-year basis over the 10-year period studied. In contrast, an average of 14% of mid-sized firms became smaller firms (i.e., fewer than 100 employees) each year or closed down entirely. For confidentiality reasons, Statistics Canada did not release the percentage of mid-sized firms that shut down their operations each year, considering the small number of disappearances. From this dataset, we also learned that mid-sized firms that remained within the 100 to 499 employee category became smaller. In fact, the proportion of mid-sized firms in the 100 to 249 employee category grew from 81% in 2001 to 84% in 2010.

The steep reduction in the number of mid-sized manufacturers since 2005, in particular, and the overall decrease in mid-sized firms since 2007, particularly in Ontario, led to the following hypotheses to explain their decline.

- > First, while the rise of China and other Asian economies as “factories of the world” has affected most developed economies, it affected Canada more intensely because our manufacturing sector was relatively more significant than those in other Western countries. While the manufacturing sector accounted for 18% of Canadian GDP in 2000, it declined to 13% in 2010. As a result, we experienced a shift of the Canadian industrial structure away from manufacturing toward the service sector.
- > Second, the rapid increase in the value of the Canadian dollar, from US\$0.65 in 2000 up to around parity since 2007, may have affected mid-sized firms to a larger degree, as they have a higher propensity to export than smaller firms do. Manufacturers, generally more dependent on exports, were particularly affected.
- > Finally, the latest global financial crisis and subsequent recession, which led to credit tightening and a reduction in the national and global demand for Canadian goods and services, negatively affected mid-sized firms (as well as all Canadian firms). However, Ontario suffered relatively more than other provinces, since the auto sector was at the epicentre of the crisis.

# 4. GROWTH PATTERNS AND INTENTIONS

EXPERIENCED INCREASED SALES GROWTH

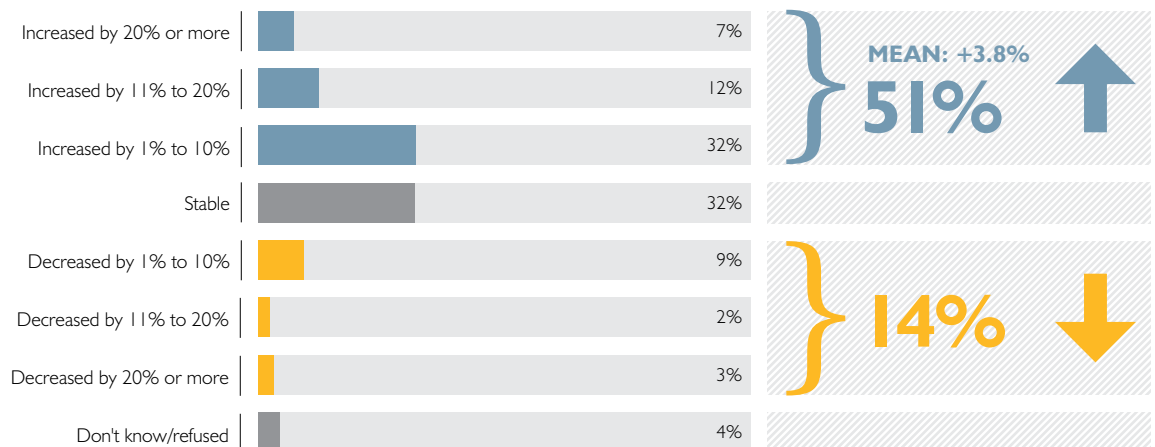
51%

The reality of mid-sized firms remains largely unknown. This could be explained by the fact that, in most studies, information about them is blended with information about all small and mid-sized enterprises. What are their growth patterns and intentions? What do they struggle with, particularly regarding their future development and growth? In order to answer these questions and deepen our understanding of their challenges, Harris/Decima, a public opinion research firm, conducted a survey on behalf of BDC. They interviewed a representative sample of 301 key decision-makers (CEOs, CFOs, presidents, etc.) who lead mid-sized enterprises in various regions and industries.<sup>10</sup>

On the growth aspect, the Harris/Decima survey revealed that half of Canadian mid-sized firms experienced annual sales growth in the past three years. One third of those growing firms (32%) experienced annual average sales growth from 1% to 10%, while 12% reported annual growth from 11% to 19%. The remaining 7% meet the OECD definition of high-growth organizations, i.e., their annual sales increased by 20% or more over the last three consecutive years.<sup>11</sup>

One third (32%) of the respondents reported that their sales remained stable, followed by 14% who cited a decrease in sales. On average, the annual sales growth experienced by mid-sized firms over the past three years was 3.8% (Figure 6).

**Figure 6: Thinking back over the past three years, how would you describe your company's annual sales growth?**



Source: Harris/Decima, *Survey on Business Challenges of Mid-Sized Firms*, September 2012, 301 respondents.

10. The telephone interviews occurred between July 12 and August 10, 2012. The results can be considered accurate to within +/- 5.6 percentage points, 19 times out of 20.

11. From 7% to 8% of Canadian firms are considered high growth (source: Industry Canada, *The State of Entrepreneurship in Canada*, February 2010).

ANTICIPATE FUTURE SALES GROWTH

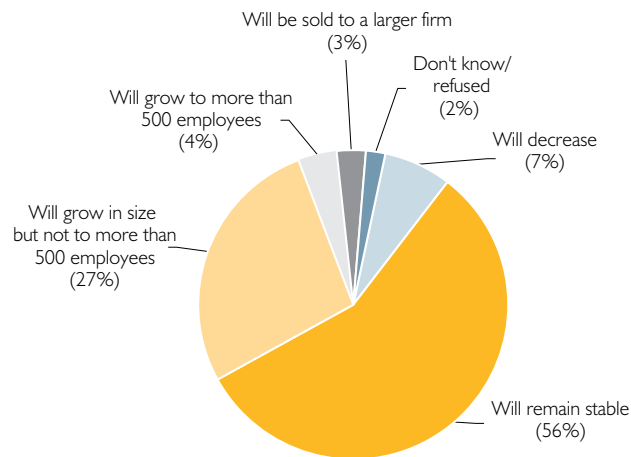
64% ↑

When asked to forecast their company's situation over the next three years, 64% of the leaders expect their sales to increase. More than half (53%) believe their sales will increase by 1% to 10%, with the remaining 11% believing that they will grow more than that. On the flip side, 28% of respondents believe their sales will remain stable and 5% believe they will decrease. The remaining 3% do not know or refused to answer. The average annual sales growth expected over the next three years is 4.5%.

Over half (56%) of the key decision-makers believe their employee numbers will remain the same, while 28% estimate that their number of employees will increase annually by 1% to 10% over the next three years. Overall, respondents expect average annual growth of 2.1% in the number of employees over the next three years.

As mentioned, Statistics Canada data show that 1.4% of Canadian mid-sized firms became large firms on a year-over-year basis. The Harris/Decima survey revealed that 4% of mid-sized firm leaders believe they will cross the 500 employee threshold over the next three years (see Figure 7). Interestingly, the same proportion (4%) of respondents indicated that they already consider themselves a large firm or have no desire to become a large organization.

**Figure 7: Which of the following would you say best describes how your company will change over the next three years?**



Source: Harris/Decima, *Survey on Business Challenges of Mid-Sized Firms*, September 2012, 301 respondents.

The same survey showed that those who experienced positive growth in annual sales in the past three years are more likely to expect sales and employee numbers to grow over the next three years. We also learned that the proportion of respondents who expect to increase their sales is larger than the proportion of those who plan to increase their number of employees. Expecting greater sales than employee growth over the next three years may indicate a trend toward greater productivity among Canadian mid-sized firms.

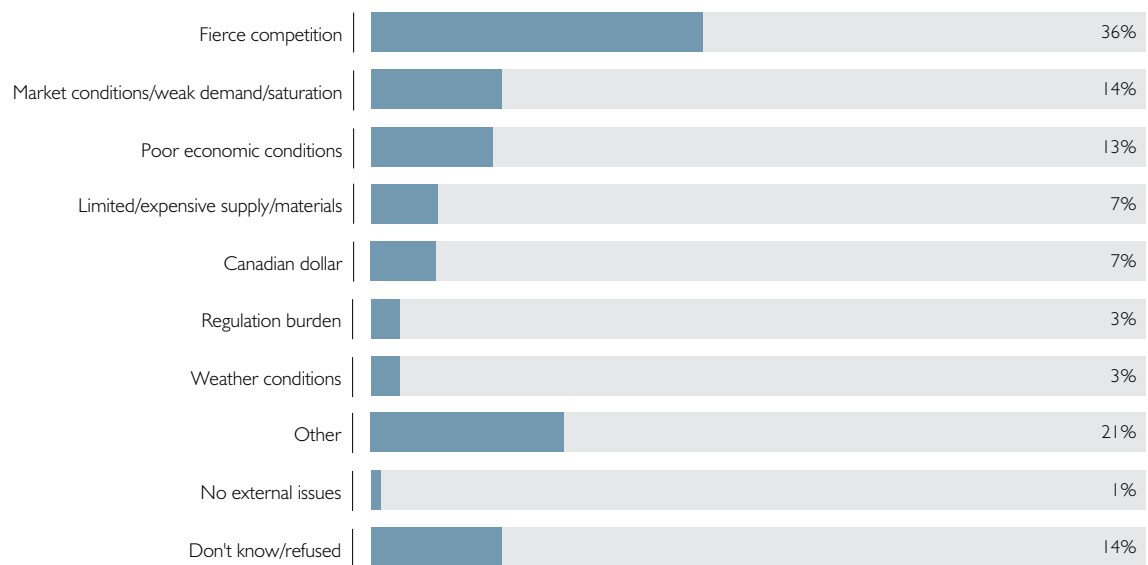
The survey also found that growing mid-sized firms tend to be younger (less than 10 years old); are more prevalent in the professional, scientific and technical services sector; and have gross annual revenues of \$25 million or more. Furthermore, mid-sized firms with a board of directors or an advisory board are more likely than those without to report an increase in projected sales over the next three years. Lastly, mid-sized firms are most likely to indicate "bank lending" (58%) as their top mode of financing. This leads us to believe that mid-sized firms tend to finance their growth using external financing.

# 5. EXTERNAL CHALLENGES

## Mid-sized firms face fierce competition.

Intense competition was clearly identified as an issue for Canadian mid-sized firms. Indeed, “fierce competition” was cited by over one third (36%) of mid-sized firm leaders who participated in the Harris/Decima survey. This is, in fact, the greatest external challenge experienced by these firms, according to the survey. Other key external challenges mentioned were difficult market conditions, weak demand, market saturation and poor economic conditions. Together, these factors were mentioned by 27% of respondents. These elements clearly add to the pressure faced by Canadian mid-sized firms and have probably had the effect of increasing competition among players operating in the same market.

**Figure 8: What external challenges is your company currently contending with?**



Source: Harris/Decima, *Survey on Business Challenges of Mid-Sized Firms*, September 2012, 301 respondents.

Leaders of Canadian mid-sized firms also mentioned that fierce competition is a key factor preventing them from growing and becoming large organizations. Indeed, “the competition is too strong” was among the top three factors mentioned by respondents as an element that generally prevents mid-sized firms from becoming large organizations. “Limited product/service demand,” also an indicator of market saturation and intense competition, was the second most-common factor mentioned by respondents as preventing mid-sized firms from growing above the 500 employee threshold.

When the leaders were asked what their main competitive disadvantages are, they placed “company size”—i.e., either too small or too big—at the top of the list. This was cited by one third of the respondents (34%). Other reasons mentioned were “difficulty adjusting to an evolving market” (27%) and “competition/staying competitive” (10%). These are other indicators reflecting exposure to ferocious competition.

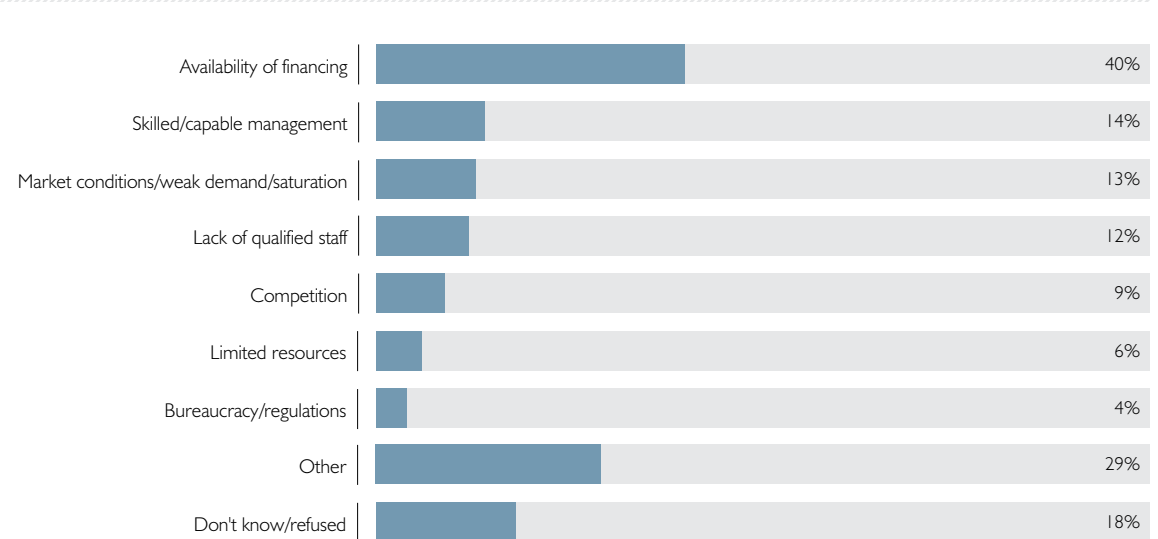
## 6. BARRIERS TO BECOMING LARGE BUSINESSES

The availability of financing was cited as a key barrier to growth by 40% of leaders.

The Harris/Decima survey revealed that lack of access to financing is a key element preventing mid-sized firms from growing. Two out of five leaders of mid-sized businesses indicated that “availability of financing” is a key factor that constrains medium-sized firms from becoming large businesses.

Respondents who indicated their company is likely to remain stable or even shrink over the next three years cited financing issues as a key factor preventing their expansion.

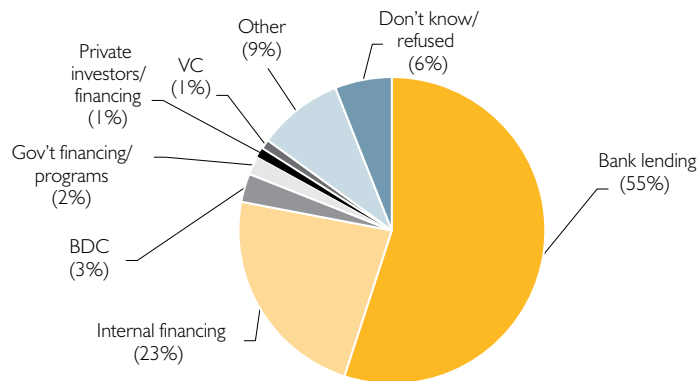
**Figure 9: In your opinion, what prevents mid-sized firms from becoming large businesses?**



Source: Harris/Decima, *Survey on Business Challenges of Mid-Sized Firms*, September 2012, 301 respondents.

Close to two thirds (65%) of mid-sized firms in Canada have asked for financing in the past three years. Of those respondents who turned to at least one financial source, over half (55%) indicated that the bank was their main source of financing, followed by 23% who cited internal financing as their main source (Figure 10).

**Figure 10: Main financing source among mid-sized firms that turned to at least one financing source in the past three years**



Source: Harris/Decima, *Survey on Business Challenges of Mid-Sized Firms*, September 2012, n=201.

Privately owned companies, whether with single or multiple owners, were more likely to have bank lending as their main source of financing than were publicly traded companies. Respondents who indicated turning to external sources for financing in the past three years were more likely to mention availability of financing as a key factor preventing growth. This may be linked to the tighter credit conditions they experienced in the marketplace during and following the financial crisis and subsequent recession. This could also be explained by the fact that the recession affected their balance sheet.

Overall, three quarters of key decision-makers working at Canadian mid-sized firms believe it is very important or important for government institutions to provide banking and financing services for growing companies. Government institutions' assistance with banking and financing services was mentioned as particularly important by respondents in mid-sized firms in Atlantic Canada and Quebec. As well, companies with annual revenues of under \$10 million were more likely to consider this very important or important than were those with \$25 million or more in annual revenues. More research is required to better understand the type of financing required by mid-sized firms and the type of support expected from government organizations.

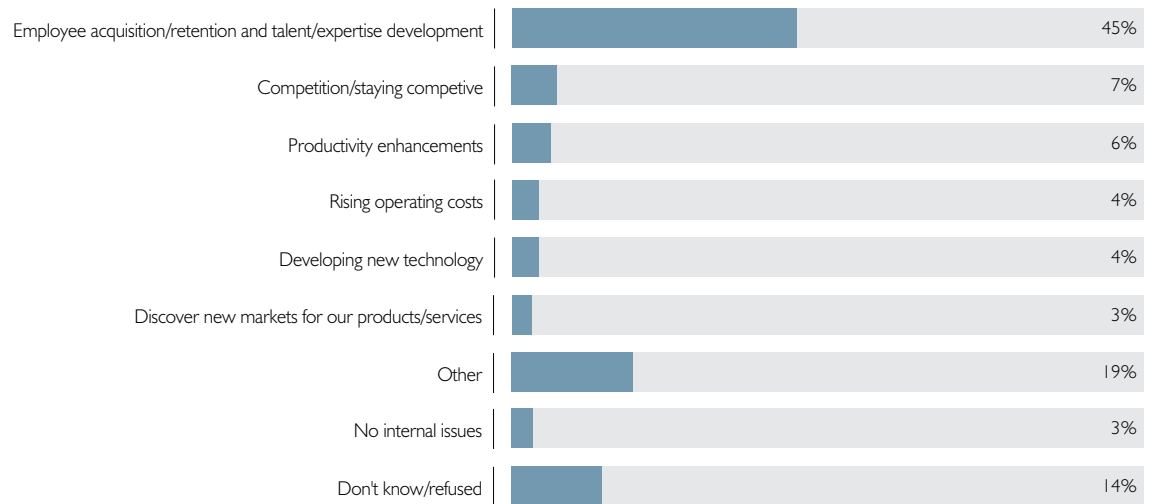


# 7. INTERNAL CHALLENGES

The ability to attract, retain and develop key employees was cited as a challenge by 45% of leaders.

Attracting, retaining and developing key employees is problematic for 45% of Canadian mid-sized firms, as seen in Figure 11.

**Figure 11: What internal challenges has your company been contending with?**



Source: Harris/Decima, *Survey on Business Challenges of Mid-Sized Firms*, September 2012, 301 respondents.

Among the key factors preventing them from growing, 26% (see Figure 9) of the leaders mentioned these human resources issues (14% indicated the “lack of skilled/capable management” as a key factor, followed by 12% who mentioned “lack of qualified staff”).

## **Key strengths and other challenges**

Canadian mid-sized firms are geared toward the needs of their customers. They pride themselves on their high quality of customer service. Indeed, 88% of respondents consider this to be their main competitive advantage. Most leaders (96%) feel that they run or are part of an established company with solid business relationships. However, 18% of respondents believe their business has a limited network, which constitutes a competitive disadvantage. The vast majority of respondents believe they are part of a high-performing management team (88%), and 18% declared that new management constitutes a competitive disadvantage. When asked about other competitive advantages their company brings to the marketplace, 79% mentioned continuous innovation.

## **Openness to seeking support**

Canadian mid-sized firms have strong competitive advantages. However, there are areas where they could benefit from additional support from their peers, a consultant or other types of specialized business partners. Human resources management is clearly an area where specialized support would be welcome.

One of the interesting findings from this survey is that most leaders of mid-sized firms are open to seeking government support to help them deal with their external and internal challenges. The main areas where these leaders find it very important or important for government institutions to help private companies like theirs are the following:

- > banking and financial assistance (73%)
- > assistance with penetrating new markets (56%)
- > assistance with improving business processes (51%)
- > assistance in selecting and implementing IT (51%)
- > human resources management services (49%)
- > business planning and management services (49%)
- > transition and succession planning services (48%)
- > planning the internal changes needed to achieve company growth targets (44%)

# CONCLUSION

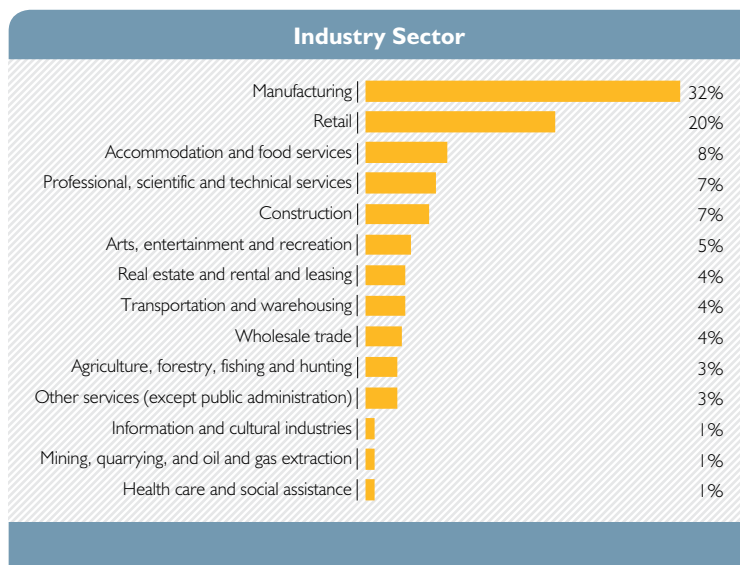
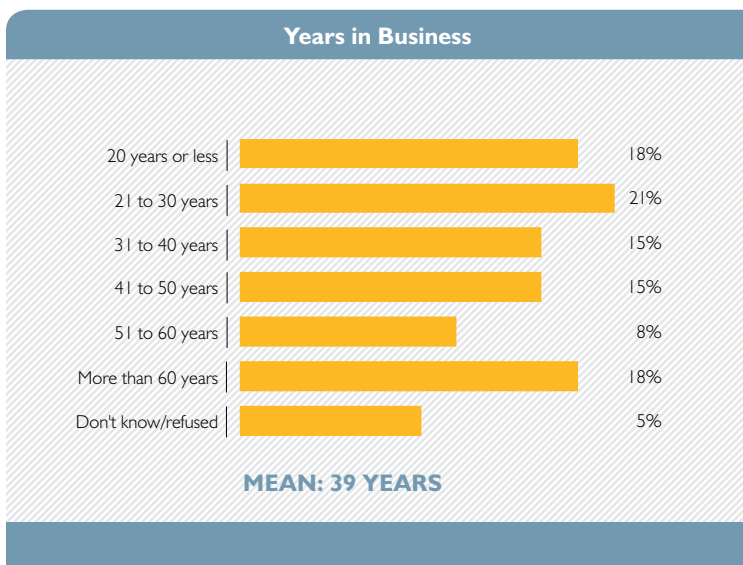
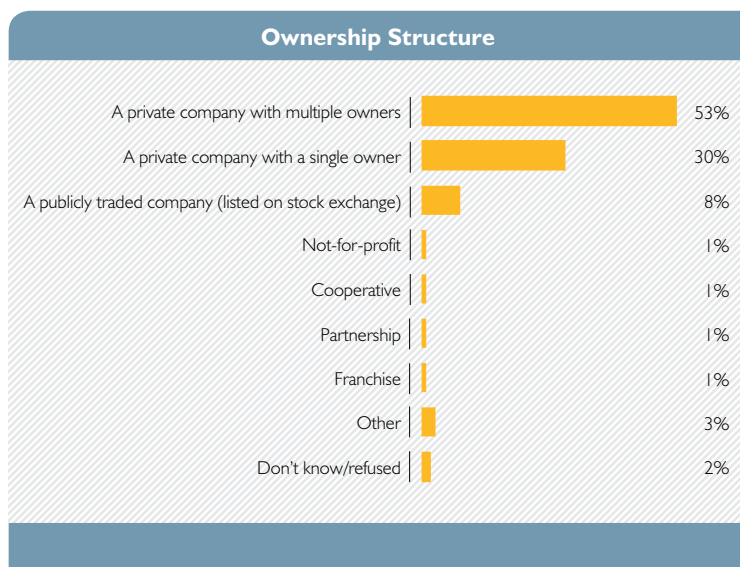
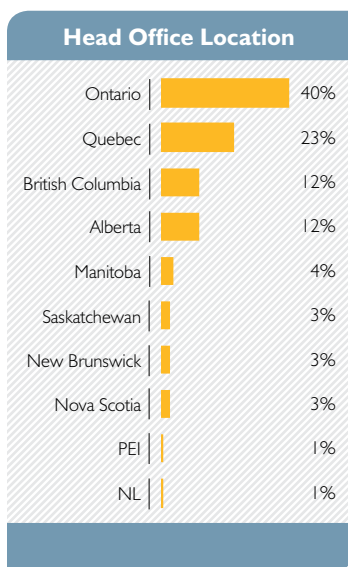
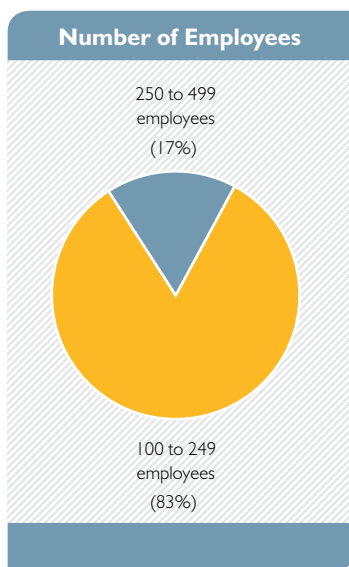
This research highlights the decline in the number of mid-sized firms in Canada during the last decade. The restructuring of the manufacturing sector is mainly responsible for this decline. As a result, there has been a shift in the distribution of mid-sized firms toward retail, accommodation and food services, business services, construction, and the financial and real estate sectors. In addition, we found that Ontario has experienced the biggest reduction in the number of mid-sized firms. While 40.7% had their head office in this province in 2006, that number declined to 36.6% in 2010. Finally, we found that on a year-over-year basis, only 1.4% of mid-sized firms became large organizations.

According to leaders of mid-sized firms, the fierce competition they face is a key element that prevents them from growing. For those wishing to grow, availability of financing is another key constraint. Employee acquisition and retention is also an important challenge experienced by mid-sized firms. Fortunately, we found that leaders of these firms are open to seeking advice and financial support from private and governmental organizations to overcome these challenges. Furthermore, mid-sized firms with a board of directors or an advisory board are more likely than those firms without to report an increase in projected sales over the next three years.

The decline of mid-sized firms in Canada is a concern when one considers the important contribution they make to the economy, both to employment and to GDP. Mid-sized firms clearly deserve more attention. They are mature businesses with a high tendency to export, and they have the potential to become the next Canadian global champions. We need to have a clearer portrait of their needs, specifically with regard to access to financing. We believe more research should be undertaken to understand the financial and managerial elements they need to achieve growth and prosper within the current economic environment.

## Harris/Decima Survey: Profile of respondents

A total of 301 telephone surveys were completed between July 12 and August 10, 2012. Data were weighted by region and company size. With an overall sample size of 301, results can be considered accurate to within +/-5.6%, 19 times out of 20.



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