



# **SME current challenges**

Survey report

Research and Market intelligence team at BDC  
November 2022



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# 01. Methodology



# Methodology

## Survey methodology

Online survey.

## Respondent profile

Business owners and business decision-makers from the BDC ViewPoints panel.

## Survey dates

October 25 through November 4, 2022

## Margin of error

For a probabilistic sample of 606 respondents, the maximum margin of error is  $\pm 3.98$  percentage points, 19 times out of 20. However, as this survey is based on a non-probabilistic sample, this information is provided for reference only.

## Data processing and analysis

Were performed by the BDC Research and Market Intelligence team.

## Weighting factors

Results were weighted by region and number of employees to be representative of the Canadian SME population.



# 02.

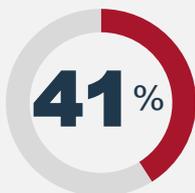
## Key highlights



## Main barriers to achieving business objectives:

**Lack of qualified employees**

A barrier for

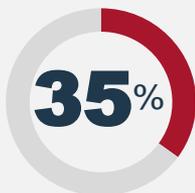


**Actions taken**

- > Revised hiring practices (33%)
- > Offered more training & development (19%)
- > Offered better working conditions (18%)

**High economic uncertainty**

A barrier for

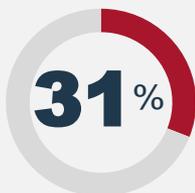


**Actions taken**

- > Reduced spending / investments (26%)
- > Managed liquidity/debt (13%)
- > Internal improvement projects (11%)

**Low cash flow position**

A barrier for



**Actions taken**

- > Developed new markets, clients, increased sales (20%)
- > Reduced expenses/costs (19%)
- > Sought out financing (11%)

## Current state of debt:

### Difficulty to obtain financing

A barrier for



**Actions taken**

- > Made internal changes to company (25%)
- > Financed elsewhere than chartered banks (11%)

Difficulty obtaining financing may be a **lesser barrier** for most because...

**63%**

are **comfortable** with their company's **current level of debt**

**78%**

state that the company could **take on more debt** if needed

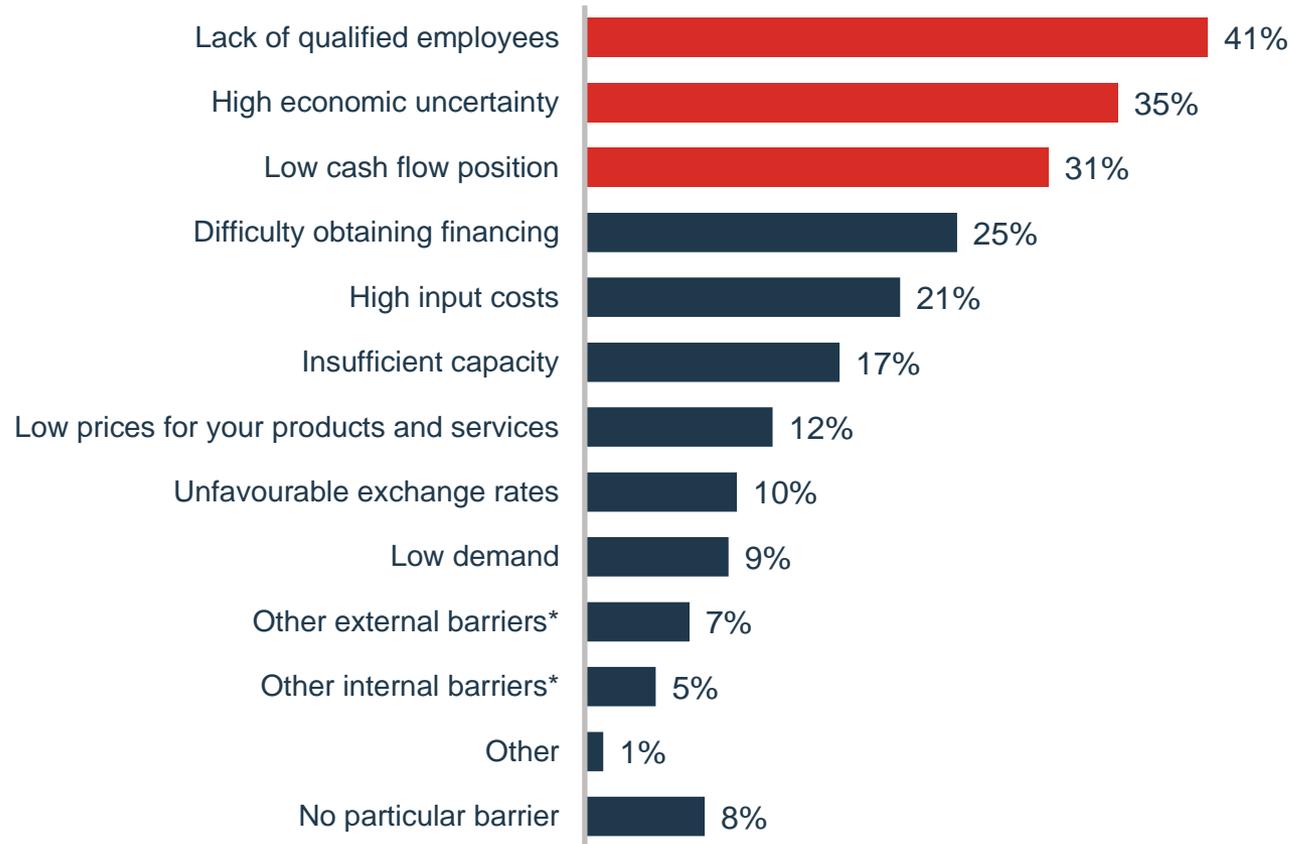


# **03.** **Detailed results**

# Barriers to achieving business objectives



S3AQ1. Which of the following factors are **the biggest barriers** to achieving your business objectives?

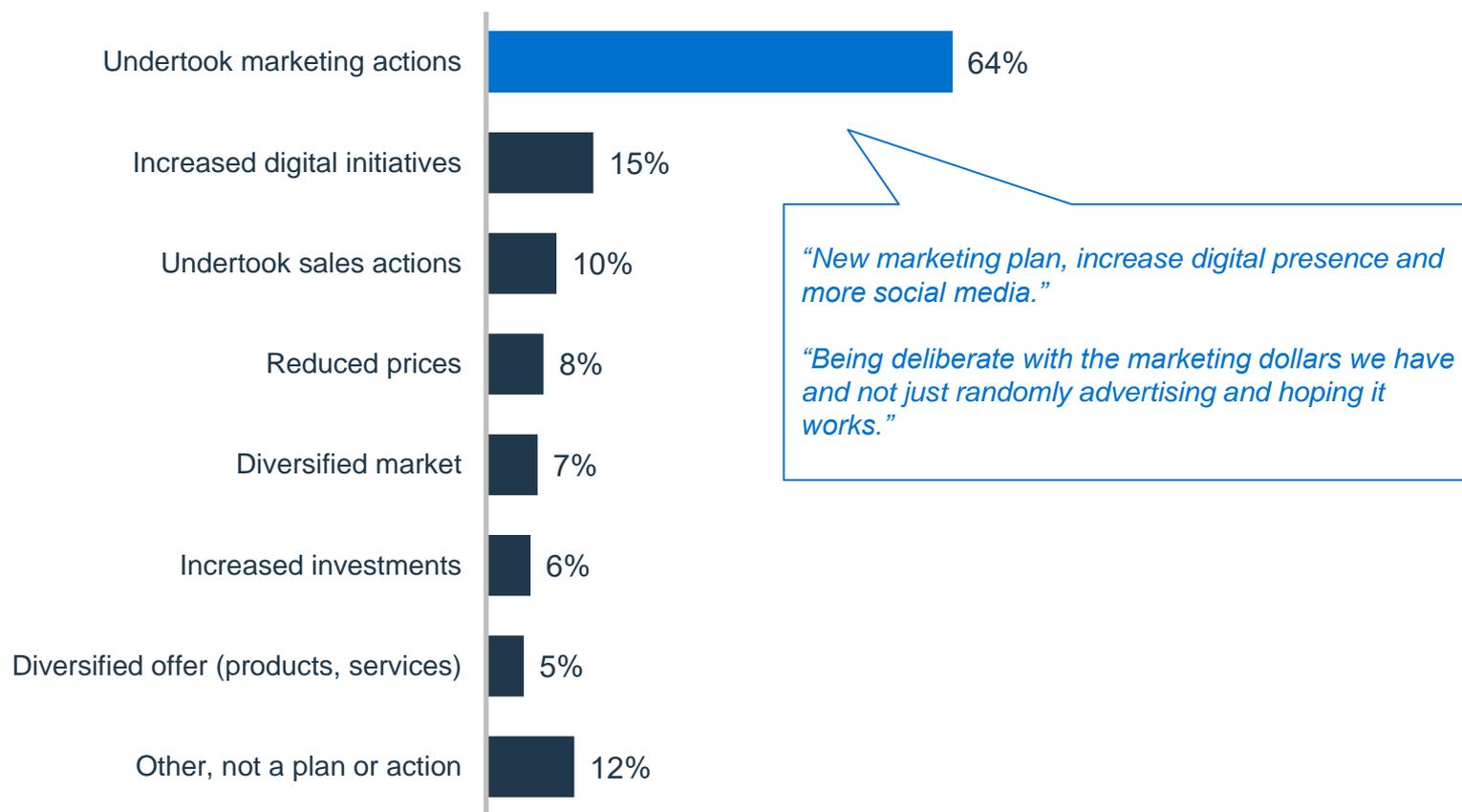


**Base:** All respondents (n=606). Those who did not know were excluded from the calculation base. A maximum of three mentions was allowed, therefore total may exceed 100%. \*These options were added by respondents in the "Other, please specify" option and recoded.

# Actions put in place to respond to low demand



S3AQ2a. Which **action(s) or plan(s)** have you put in place to respond to **low demand**?



**Base:** Those who said this aspect was a barrier (n=31). Verbatim responses have been coded to create categories, only those with 2%+ of mentions are presented. Respondents were asked to answer a maximum of 2 follow-up questions among those selected as barriers. This question was not mandatory.

# Actions put in place to respond to lack of qualified employees



S3AQ2b. Which **action(s) or plan(s)** have you put in place to respond to a **lack of qualified employees**?

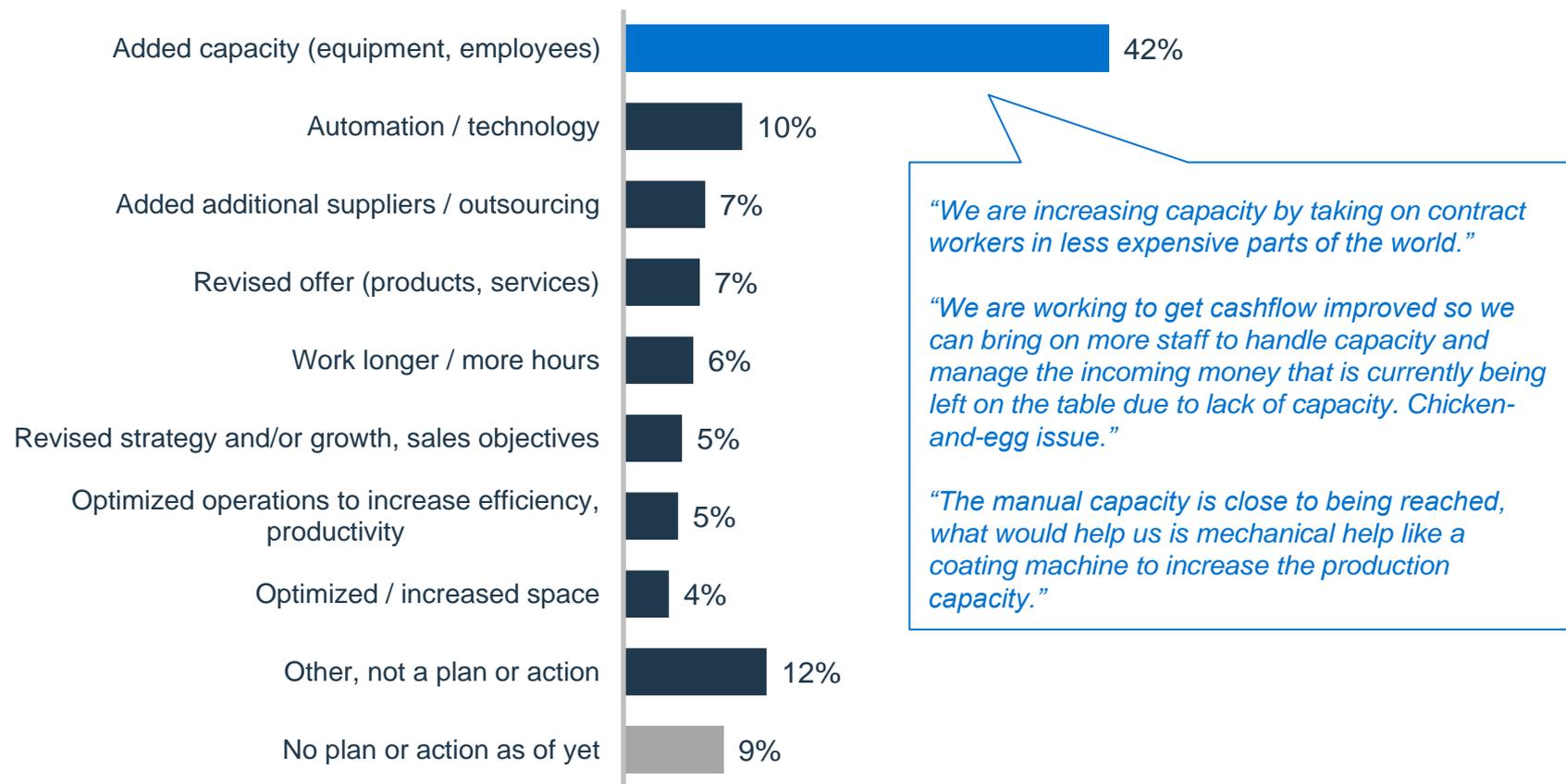


**Base:** Those who said this aspect was a barrier (n=202). Verbatim responses have been coded to create categories, only those with 2%+ of mentions are presented. Respondents were asked to answer a maximum of 2 follow-up questions among those selected as barriers. This question was not mandatory.

# Actions put in place to respond to insufficient capacity



S3AQ2c. Which **action(s) or plan(s)** have you put in place to respond to **insufficient capacity**?

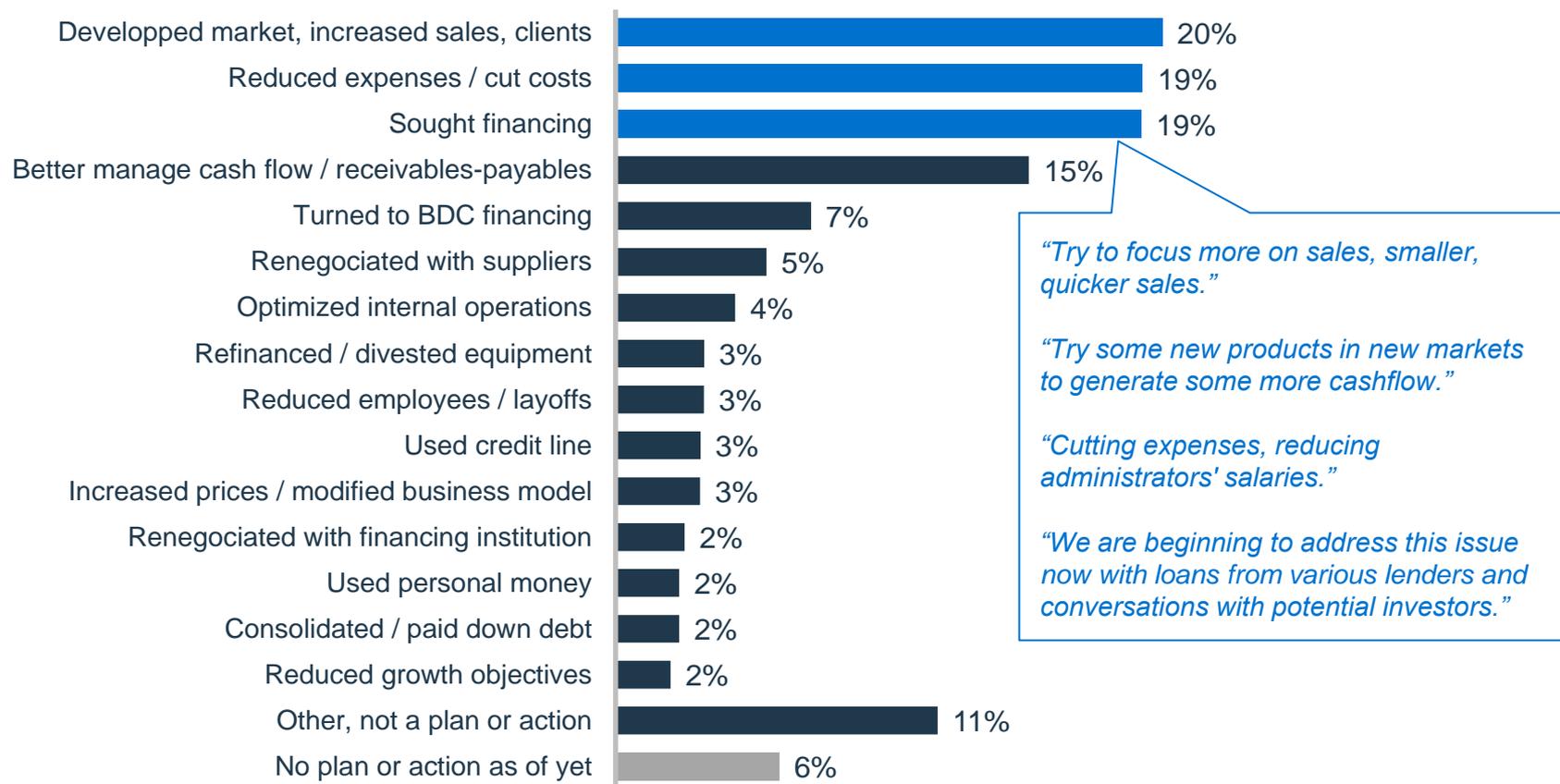


**Base:** Those who said this aspect was a barrier (n=63). Verbatim responses have been coded to create categories, only those with 2%+ of mentions are presented. Respondents were asked to answer a maximum of 2 follow-up questions among those selected as barriers. This question was not mandatory.

# Actions put in place to respond to low cash flow position



S3AQ2d. Which **action(s) or plan(s)** have you put in place to respond to a **low cash flow position**?

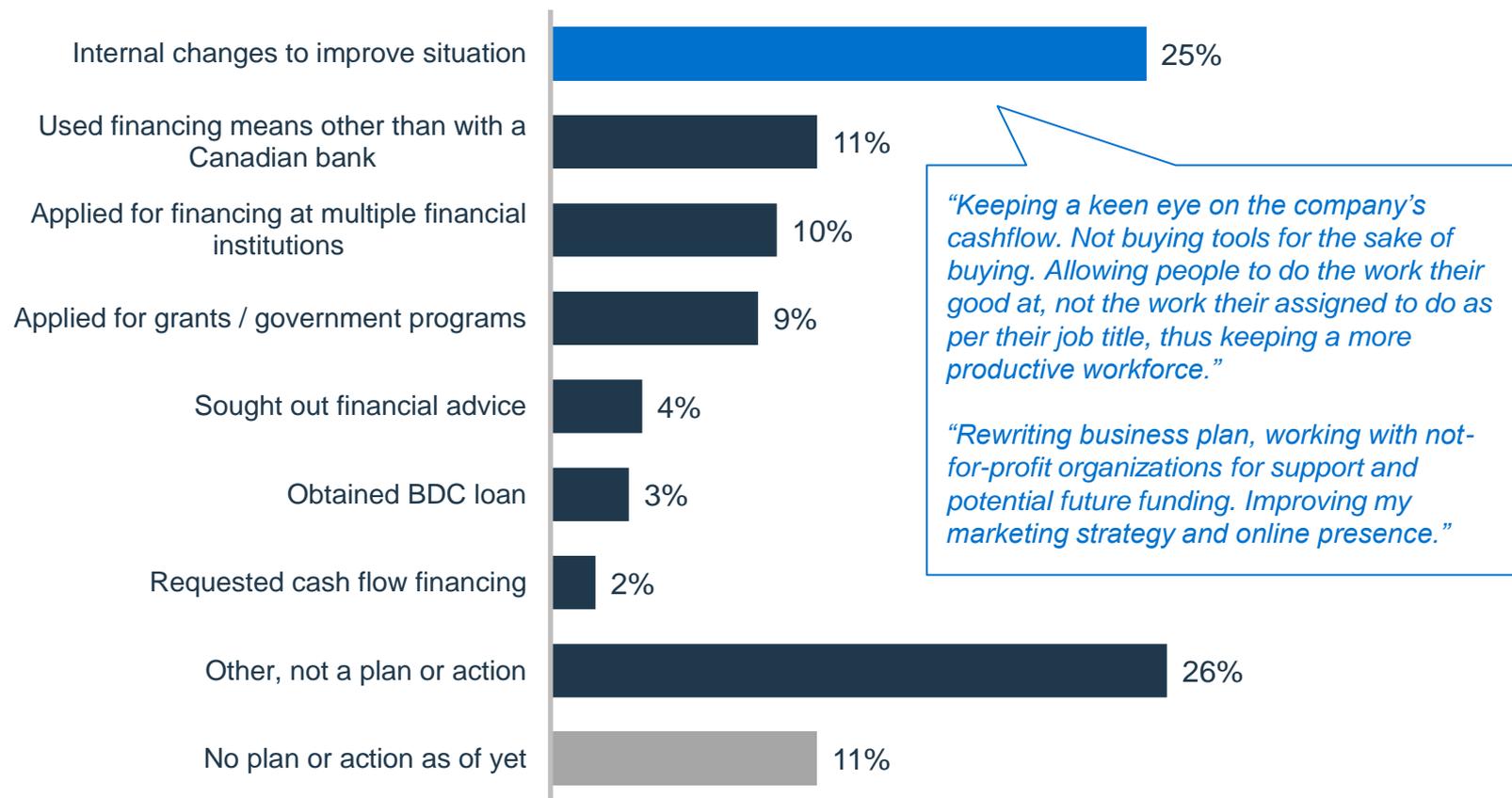


**Base:** Those who said this aspect was a barrier (n=98). Verbatim responses have been coded to create categories. Respondents were asked to answer a maximum of 2 follow-up questions among those selected as barriers. This question was not mandatory.

# Actions put in place to respond to difficulty obtaining financing



S3AQ2e. Which **action(s) or plan(s)** have you put in place to respond to a **difficulty to obtain financing**?

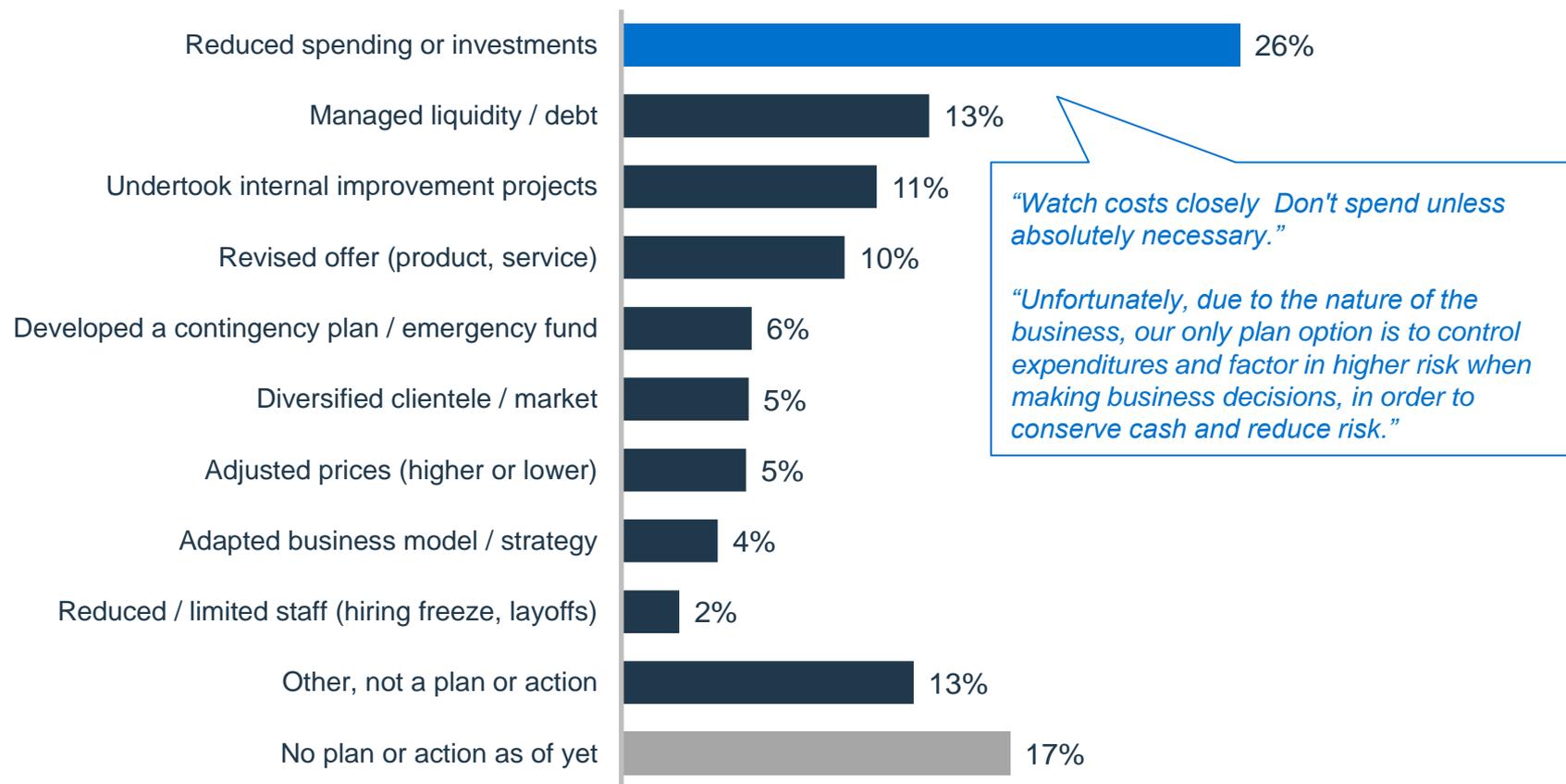


**Base:** Those who said this aspect was a barrier (n=64). Verbatim responses have been coded to create categories, only those with 2%+ of mentions are presented. Respondents were asked to answer a maximum of 2 follow-up questions among those selected as barriers. This question was not mandatory.

# Actions put in place to respond to high economic uncertainty



S3AQ2f. Which **action(s) or plan(s)** have you put in place to respond to **high economic uncertainty**?

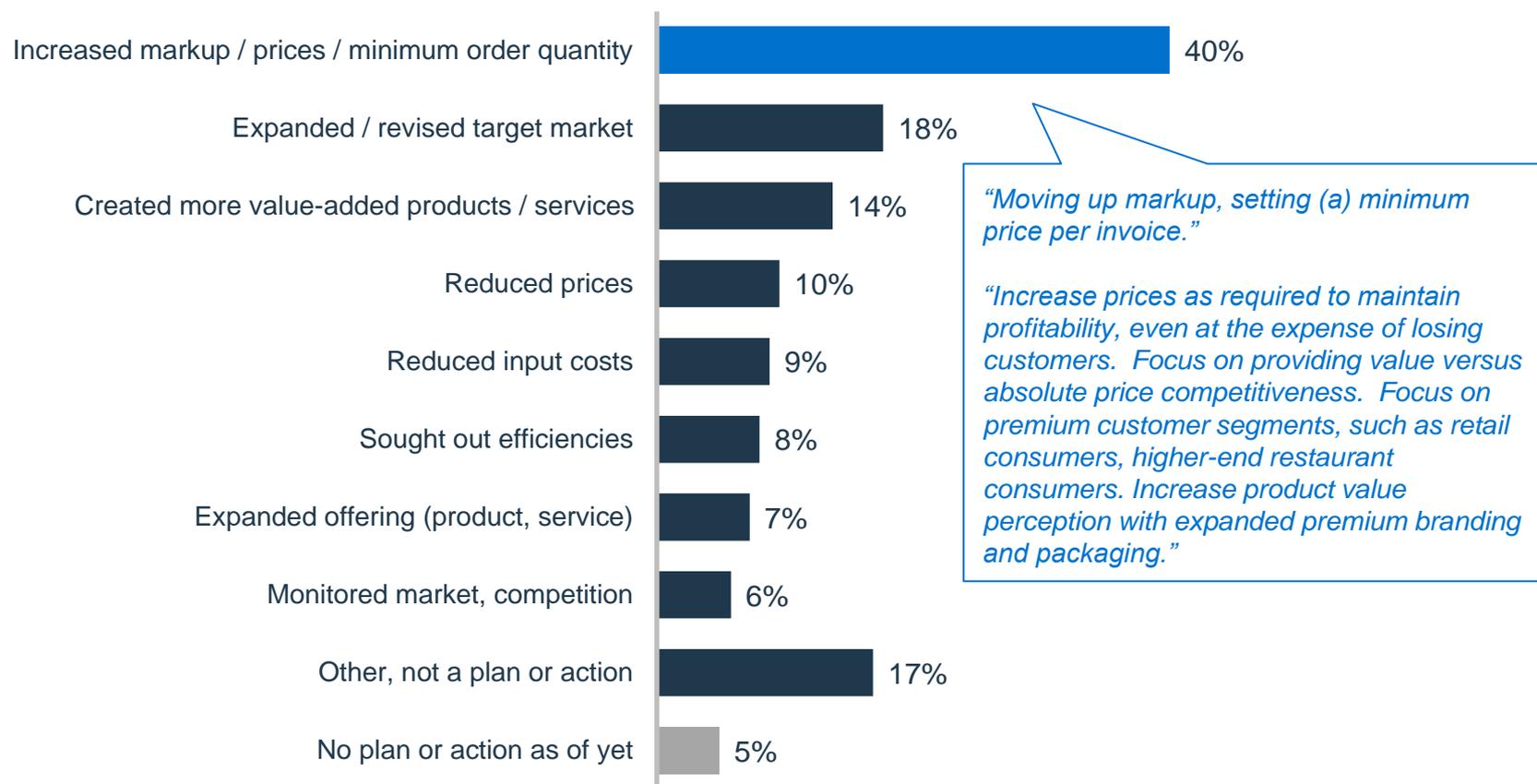


**Base:** Those who said this aspect was a barrier (n=107). Verbatim responses have been coded to create categories, only those with 2%+ of mentions are presented. Respondents were asked to answer a maximum of 2 follow-up questions among those selected as barriers. This question was not mandatory.

# Actions put in place to respond to low prices for products/services



S3AQ2g. Which **action(s) or plan(s)** have you put in place to respond to **low prices for your products and services**?

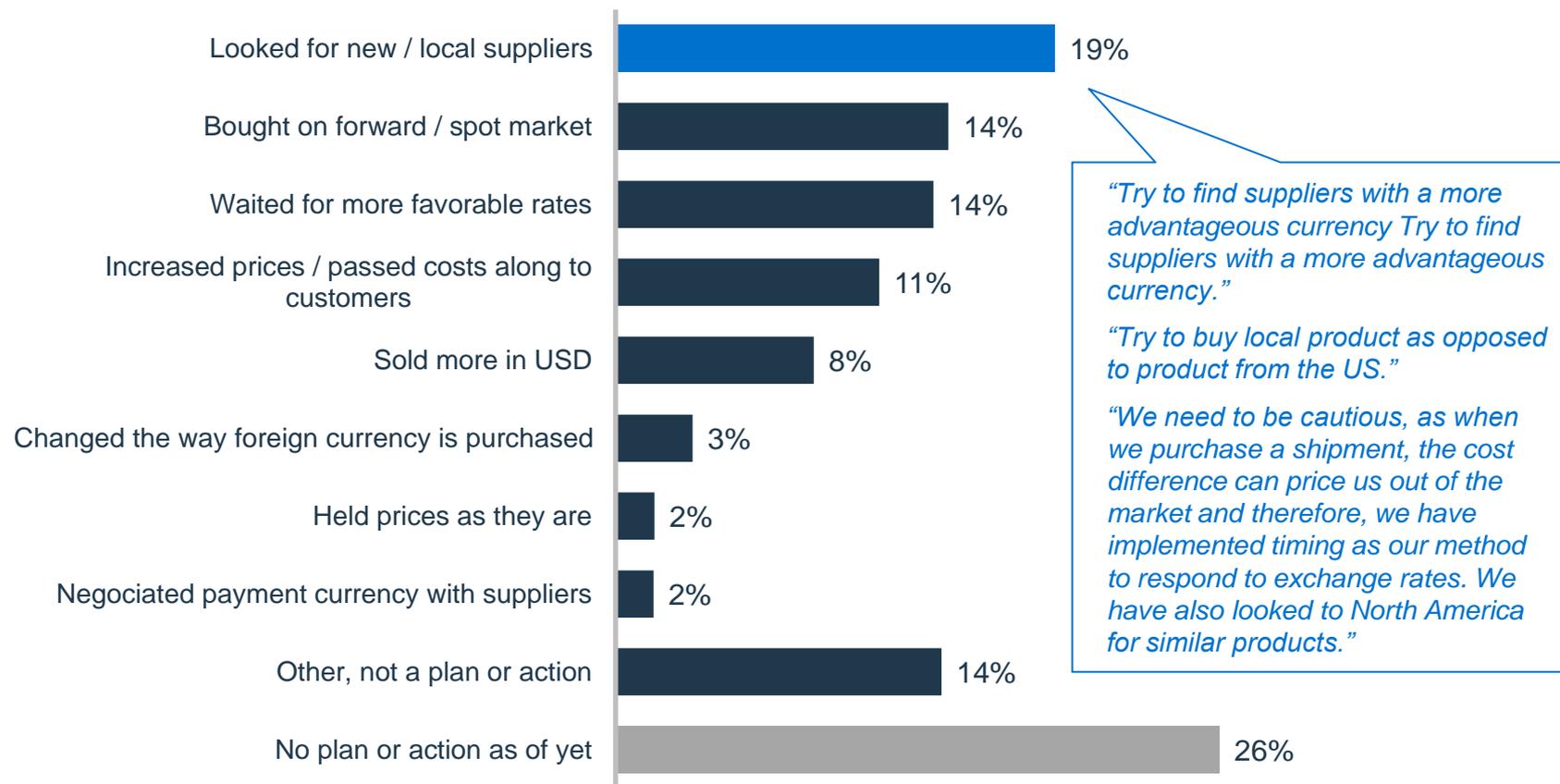


**Base:** Those who said this aspect was a barrier (n=36). Verbatim responses have been coded to create categories. Respondents were asked to answer a maximum of 2 follow-up questions among those selected as barriers. This question was not mandatory.

# Actions put in place to respond to unfavourable exchange rates



S3AQ2h. Which **action(s) or plan(s)** have you put in place to respond to **unfavourable exchange rates**?



**Base:** Those who said this aspect was a barrier (n=38). Verbatim responses have been coded to create categories. Respondents were asked to answer a maximum of 2 follow-up questions among those selected as barriers. This question was not mandatory.

# Actions put in place to respond to high input costs



S3AQ2i. Which **action(s) or plan(s)** have you put in place to respond to **high input costs**?

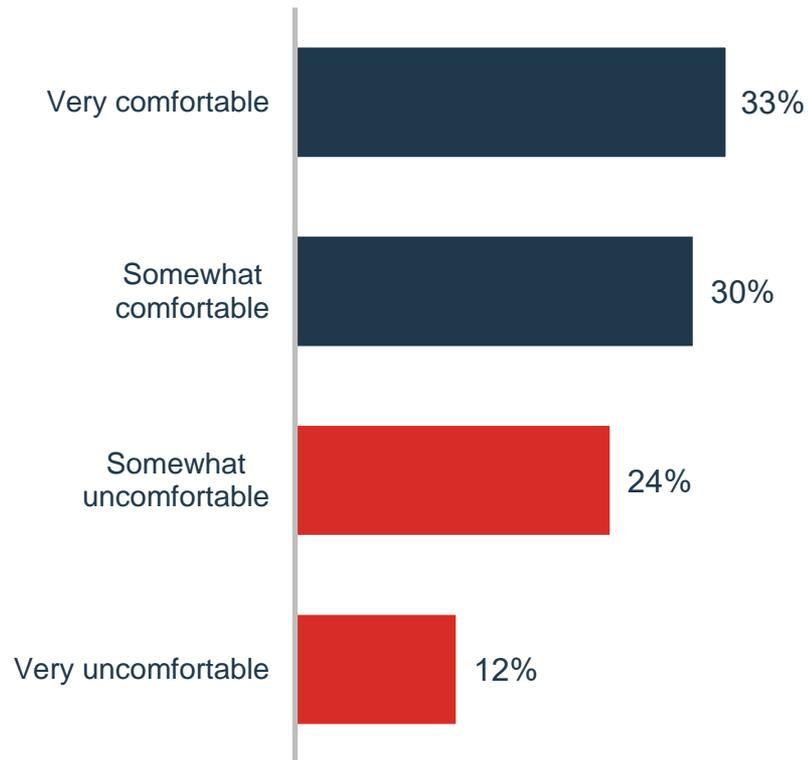


**Base:** Those who said this aspect was a barrier (n=89). Verbatim responses have been coded to create categories. Respondents were asked to answer a maximum of 2 follow-up questions among those selected as barriers. This question was not mandatory.

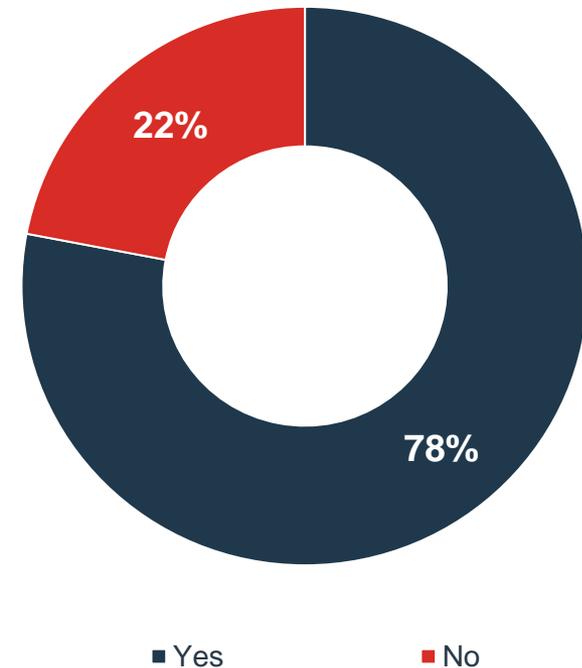
# Current debt level



S3AQ7. How comfortable are you with your **company's current debt level**?



S3AQ8. If you needed to, could your company **take on more debt** at this time?





**04.**

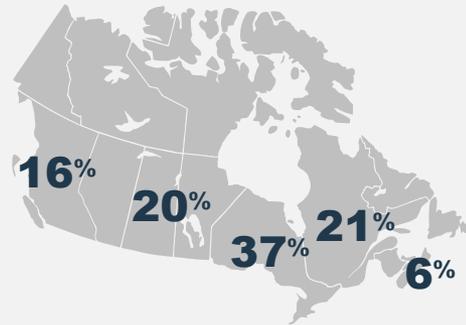
**Respondent  
profile**



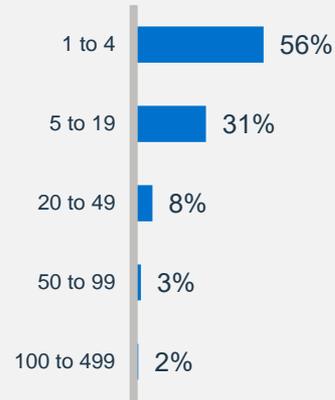
# Profile of survey respondents



## Region



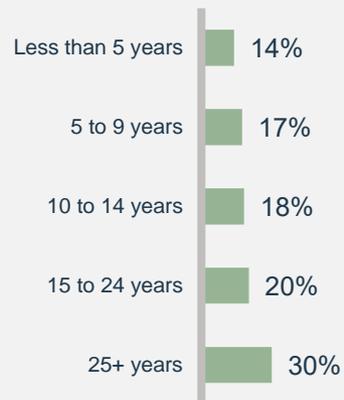
## Number of employees



## Annual sales



## Years in business



## Sector of activity



## Specific activities\*

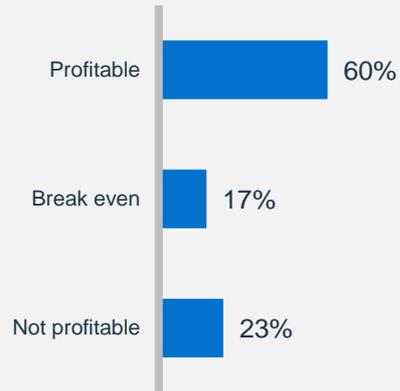


**Base:** All respondents (n=547-606). Those who did not know or preferred not to answer were excluded from the calculation base. For the sectors, only those with 7%+ respondents are presented. \*Multiple mentions were allowed, therefore total exceeds 100%.

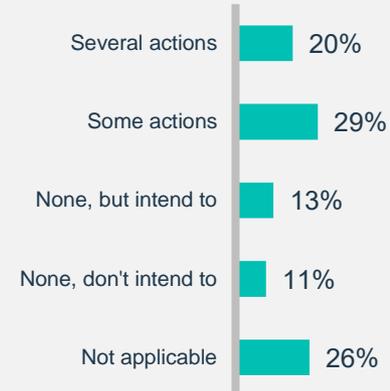
# Profile of survey respondents (cont.)



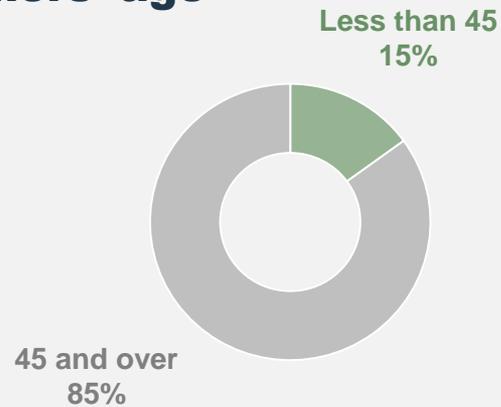
## Profitability



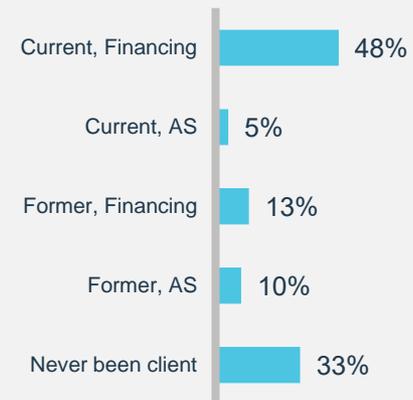
## Carbon footprint actions



## Owners' age



## Client status\*

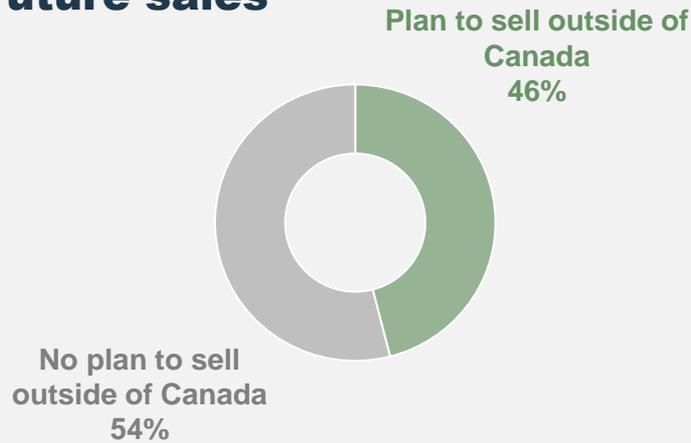


**Base:** All respondents (n=585-594). Those who did not know or preferred not to answer were excluded from the calculation base. \*Multiple mentions were allowed, therefore total exceeds 100%.

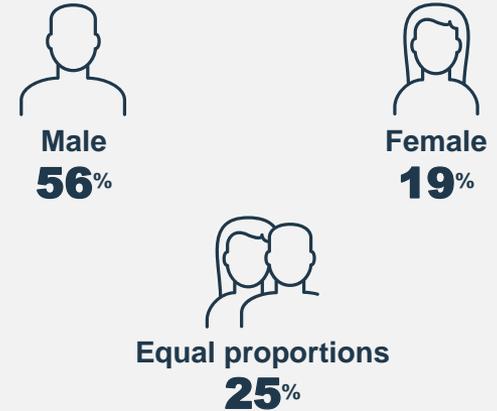
# Profile of survey respondents (cont.)



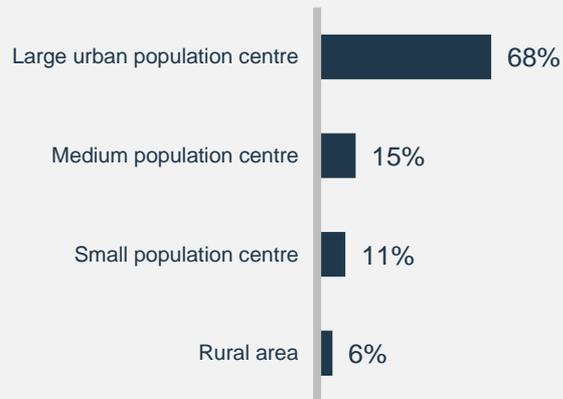
## Future sales\*



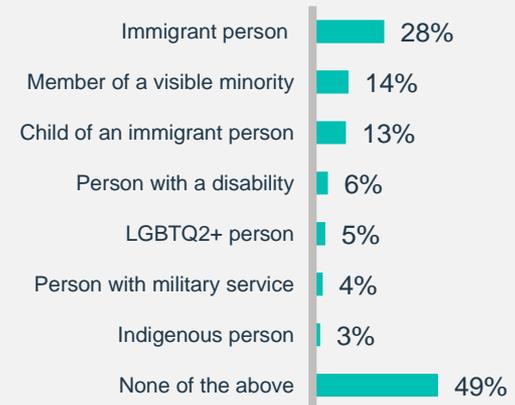
## Gender ownership



## Location



## Diversity\*\*



**Base:** All respondents (n=547-606). Those who did not know or preferred not to answer were excluded from the calculation base. \*Only those who were not already selling goods or services outside of Canada were asked this question. \*\*Multiple mentions were allowed, therefore total exceeds 100%.



**Thank you.**

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