



SME pulse survey on the current situation

BDC ViewPoints panel

September 2020



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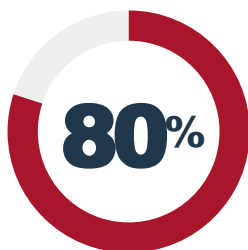


01.
Key highlights

Key highlights

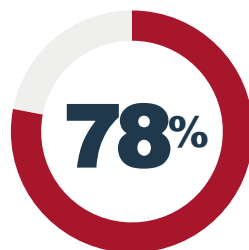


Level of worry remains **high** but is **quite stable** compared to July 2020*



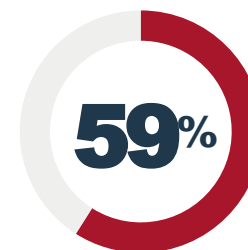
CND economy

Slight decrease since July (-1pt)



Worldwide economy

Slight decrease since July (-1pt)



One's business

Slight increase since July (+1pt)

And **despite** the current crisis context...



Eco-responsible practices remain top of mind

40%

Have taken actions to **reduce** their environmental impact in the past year.



But online sales are still quite anecdotal

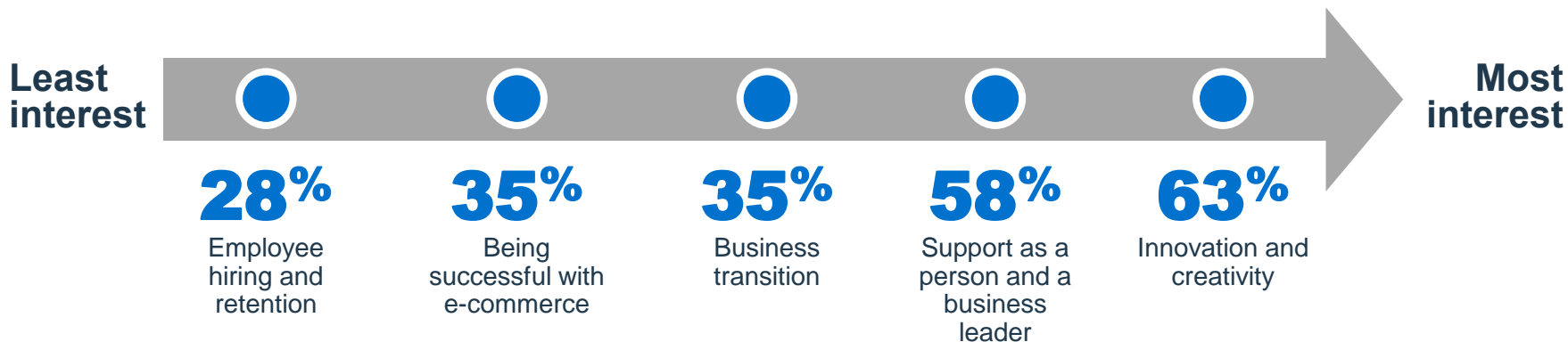
53%

Have **none** of their revenues coming from online sales and 27% have less than a quarter.

*Proportion of 7-10 out of 10 scores (10 being "very worried").



Topics of interest to entrepreneurs appear to be influenced by the crisis

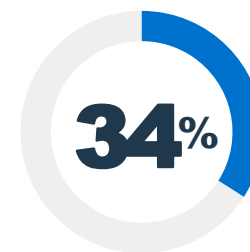


Being creative is deemed necessary to survive the current situation

In many cases, changes made have been **forced** rather than the continuation of projects initiated

55% Were forced to implement changes related to **employee management** and **working conditions**

53% Were forced to change some of their **processes** and **ways of doing things**



Feel that the changes implemented as a result of the pandemic have been **beneficial** to their business, whereas 29% say it is still too early to tell

Key highlights (cont.)



Entrepreneurs feel the need to be supported as a person who leads a business

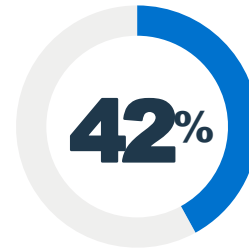


They want to feel more strategic

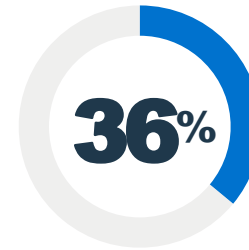
43%

Would like to get advice on how to be **more strategic with the business**

They find it **easy*** to...



Get coaching or mentoring on leadership



Get access to physical health support / services



Get access to a group of peers

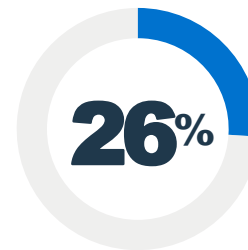
Business transition may not stand out in the current context but retirement does

15%

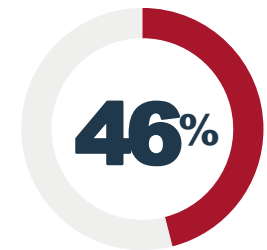
Of business owners are likely to **sell the business** within the next year



Although only a minority have a formal, structured **transition plan** in place



Of business owners are **likely to retire** within the next 3 years



Of those who intend to retire say that the COVID-19 crisis **influenced their decision**

*Proportion of 7-10 out of 10 scores (10 being "very easy").



Labour shortages continue to be felt, sometimes for different reasons than before the crisis, but often for the same type of employees



67%

Find difficult to **hire** new employees now

38%

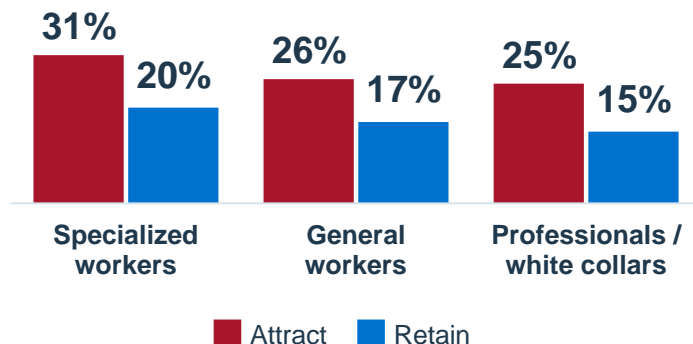
Find difficult to **retain** existing employees now

Particularly true for small businesses



28% find it **more difficult to hire** new employees now than before the crisis, whereas **16%** find it **more difficult to retain** employees in the current setting.

The same employee profiles are difficult to attract and retain



Looking for specialized workers made recruitment more difficult; CERB exacerbated the problem

“The scarcity of specialized technicians makes the market competitive and unsolicited offers are sent to them.”

(Translated from French)

“The CERB has made it nearly impossible to hire new labour. People collecting the CERB get paid to do nothing so there is no incentive to look for a job!”



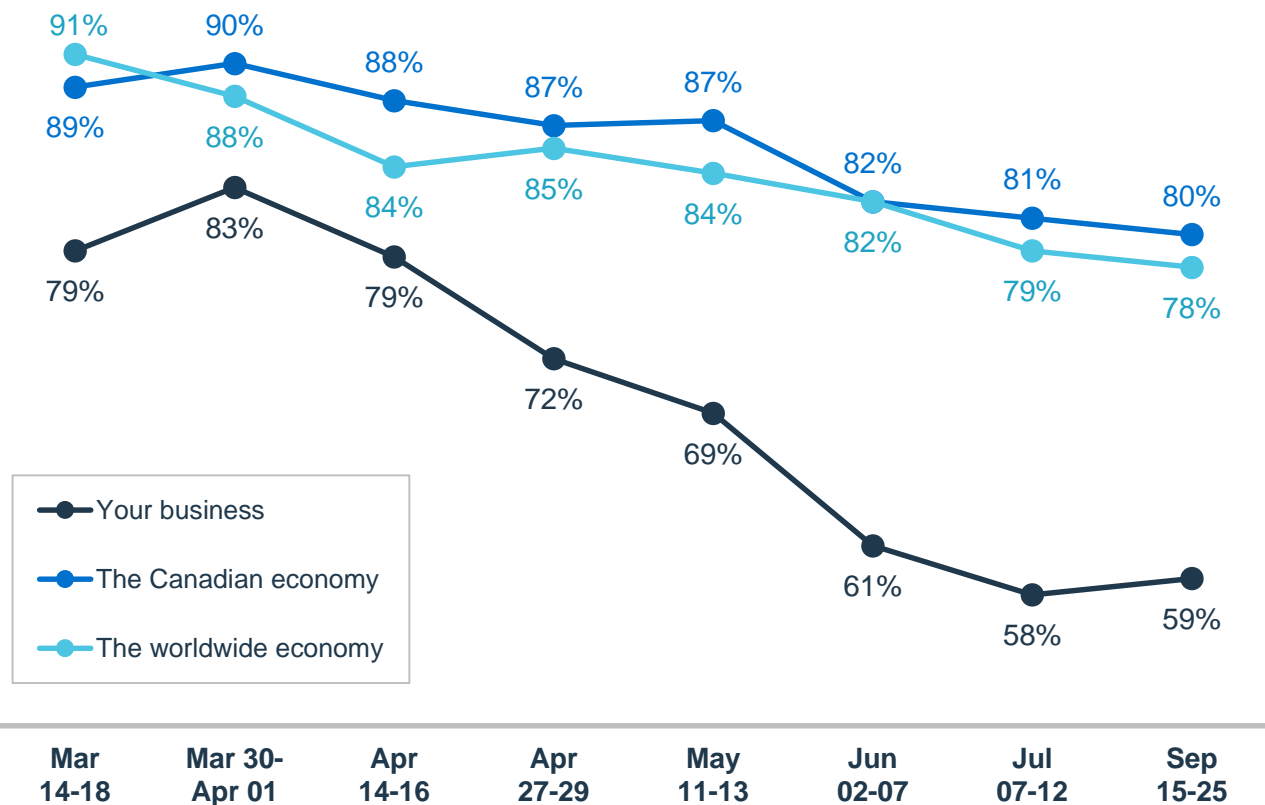
02.

Detailed results



Level of worry among entrepreneurs for the Canadian and worldwide economy is **down slightly** from July. Level of worry for one's business is **slightly up**, mostly for those in Accommodation and food services.

Q0. How **worried** are you about the impact of COVID-19 on ...?



Significantly ↑ proportion of respondents worried about their business among:

- Accommodation and food services (86%)

Average out of 10

CDN economy: 7.8

WW economy: 7.7

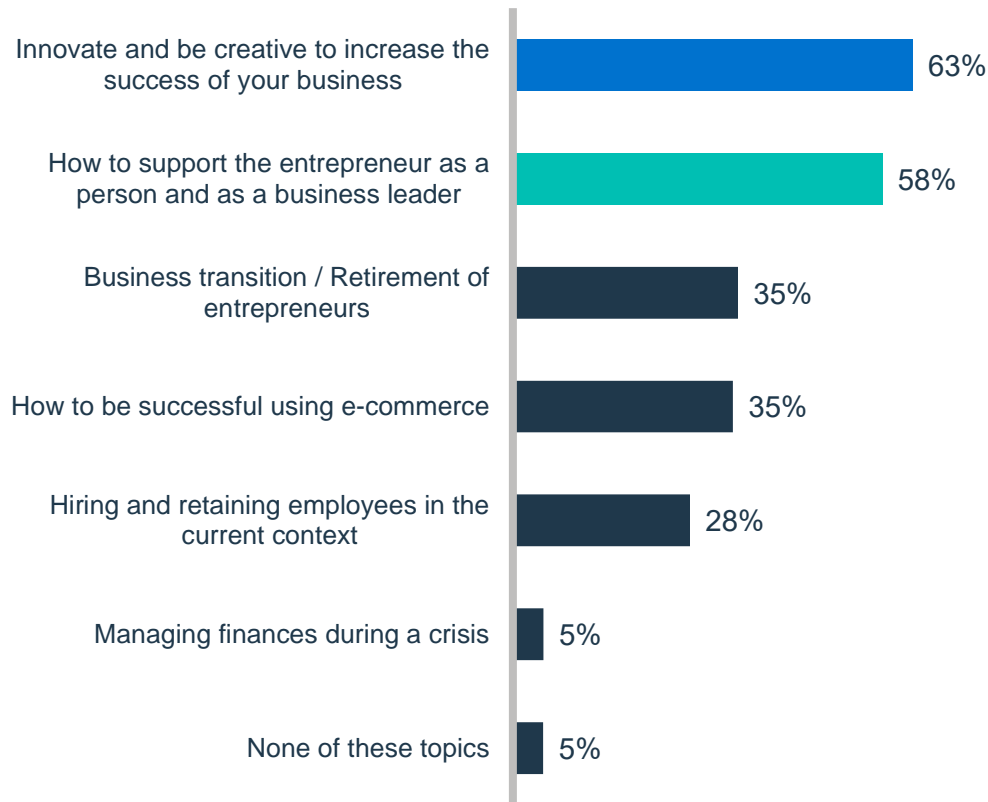
Their business: 6.6

Base: All qualified respondents (n Sep wave = 622-626). Results are presented in terms of scores of 7+ out of 10. Due to rounding, totals may not equal to 100%. The average score of the current survey wave was calculated by excluding those who didn't know or preferred not to answer, whereas the scale includes these respondents. Opinions were expressed using a scale from 0 to 10, where 0 means "Not worried at all" and 10 means "Extremely worried".

Nearly **two thirds** of respondents are interested in **innovation and creativity**, followed in second place by **support for the entrepreneur** as an individual and business leader.



S2Q1. Which of the following **topics** are of personal interest to you?



Innovate and be creative

Significantly ↑ results among:

- Those in the Prairies (73%)
- Retail companies (79%)
- Large businesses (80%)

Support the entrepreneur

Significantly ↑ results among:

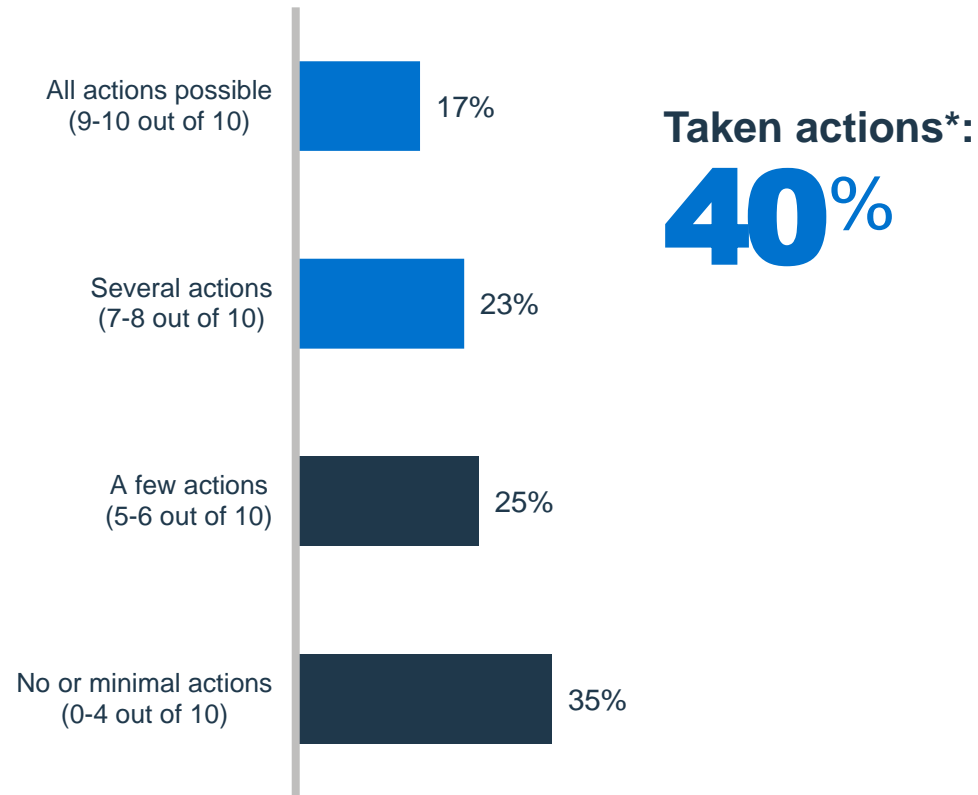
- Small businesses (64%)
- Less than 5 employees (66%)

Base: All qualified respondents (n=626). Multiple answers were allowed, therefore total may exceed 100%. Only responses mentioned by 5% or more respondents are presented.

Two in five companies have taken **several actions or more** to reduce their environmental impact in the past year. No significant differences are noted between subgroups of respondents.



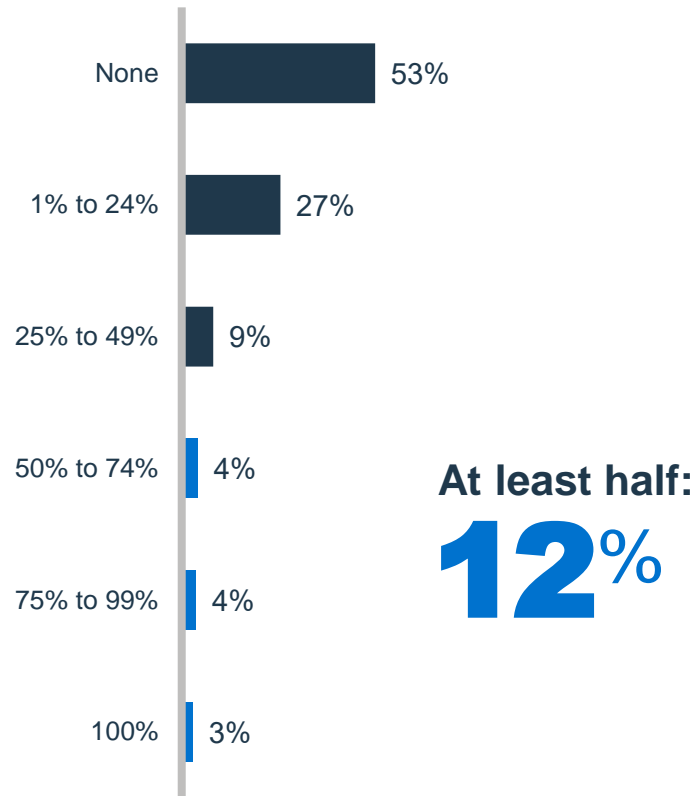
S8Q1. To what extent have you taken **concrete actions** to reduce your company's environmental impact in the past 12 months?



The **vast majority** of companies generate most of their revenues **outside of online sales**. Only about one in ten have at least half of their revenues coming from online sales.



S8Q2. What percentage of your total sales come from **online sales**?





02.1

Business transition

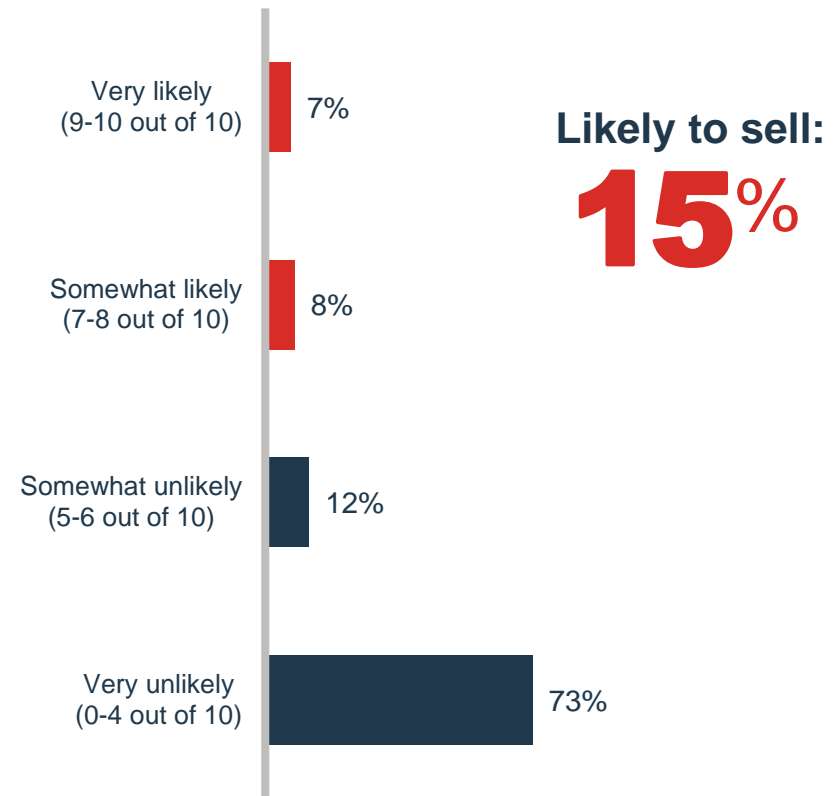
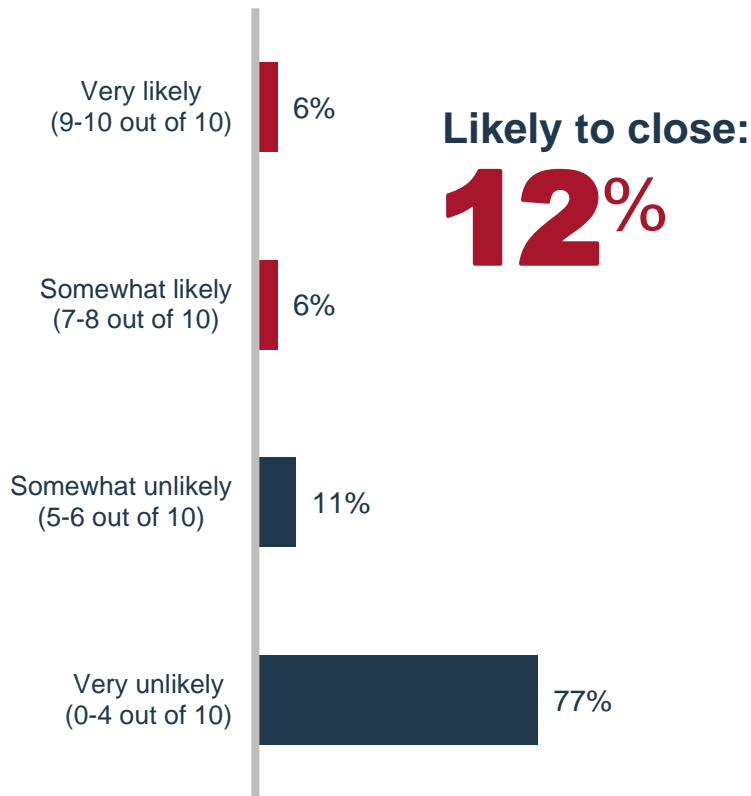


A **minority** of entrepreneurs plan to **sell or close** their business within the next year. **Sales** intentions are higher in Quebec, among **medium-sized** businesses and **older** business owners.



S3Q1a. How likely is it that your business **will close** within the next year?

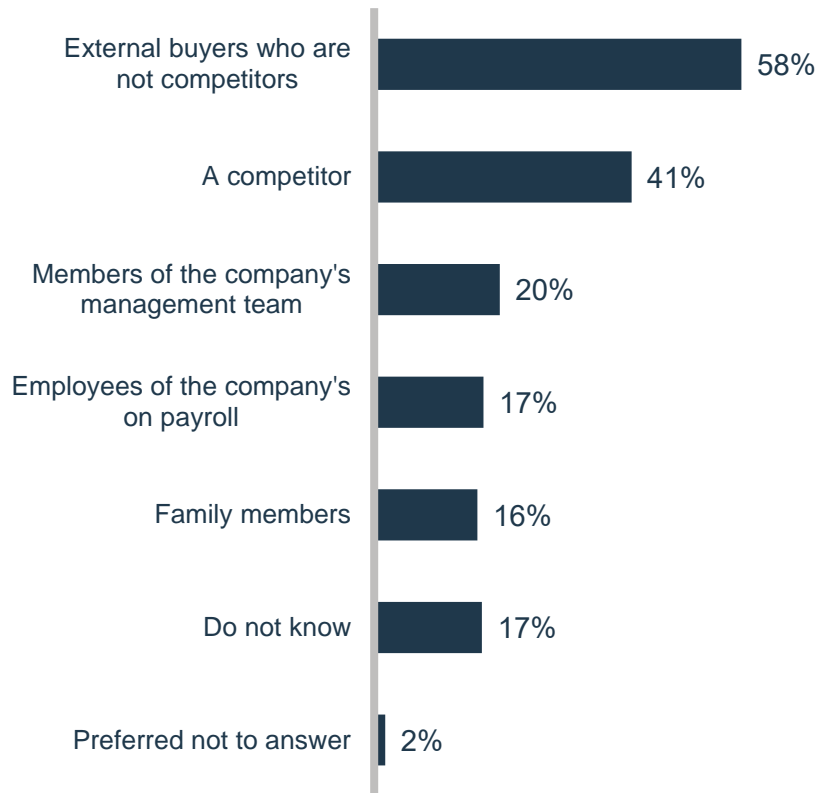
S3Q1b. How likely is it that your business **will be sold** within the next year?



Of those who plan to sell their business, more than half plan to sell to an **external buyer who is not a competitor**. Nearly half keep their minds open by choosing more than one selling option.



S3Q5. Who do you **intend to sell** your business to?



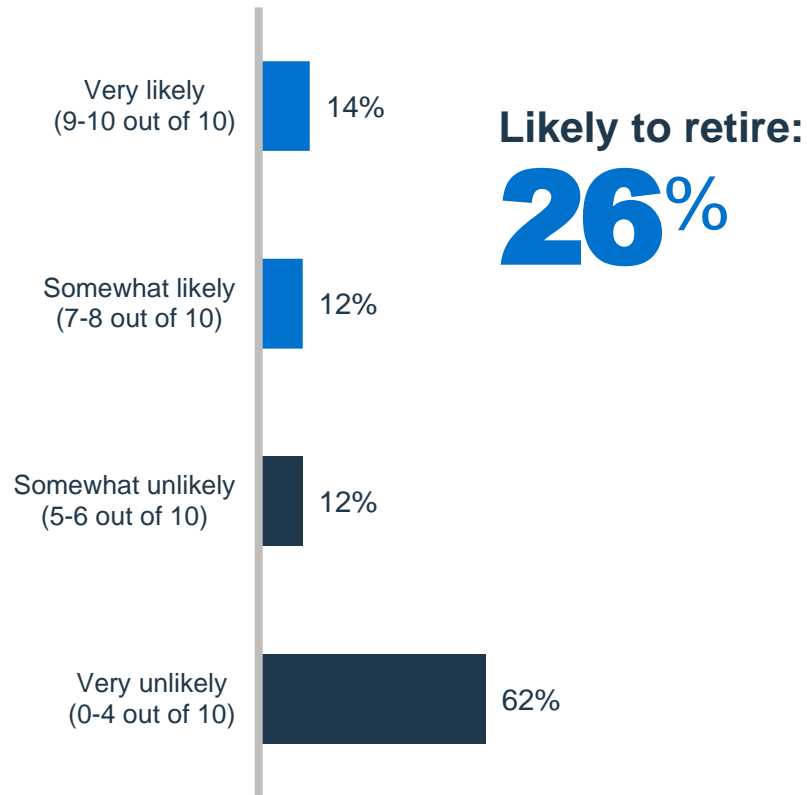
Selected more than one selling option:

47%

Over **one quarter** of entrepreneurs say they **intend to retire** within the next three years. They are more likely to be found in the **65+** age group and in **medium-sized** companies.



S3Q2. How likely are you to **retire** as a business owner within the **next 3 years**?

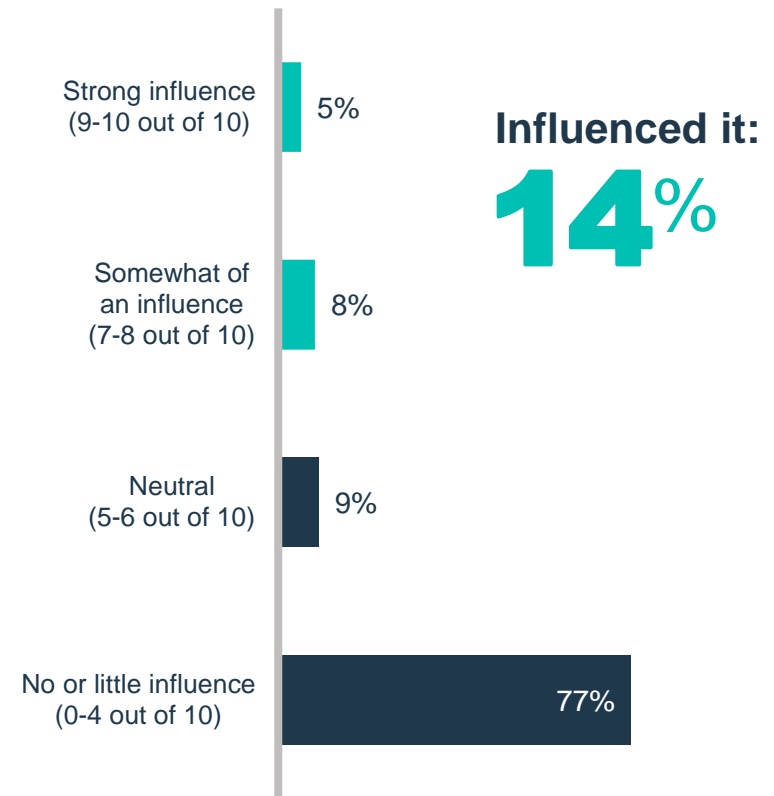
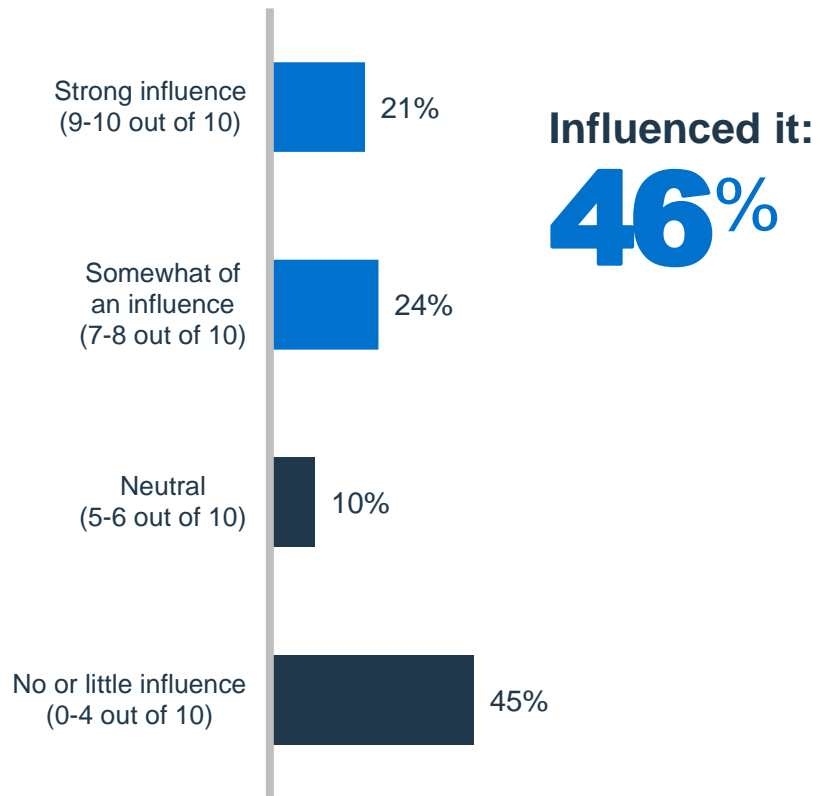


Almost **half** of respondents who said they intended to retire felt that the COVID-19 crisis **influenced their decision**. The impact is much weaker among those who do not intend to retire.



S3Q2b. To what extent did the COVID crisis **influence your decision** to retire?

S3Q2c. To what extent did the COVID crisis **influence your decision not** to retire?

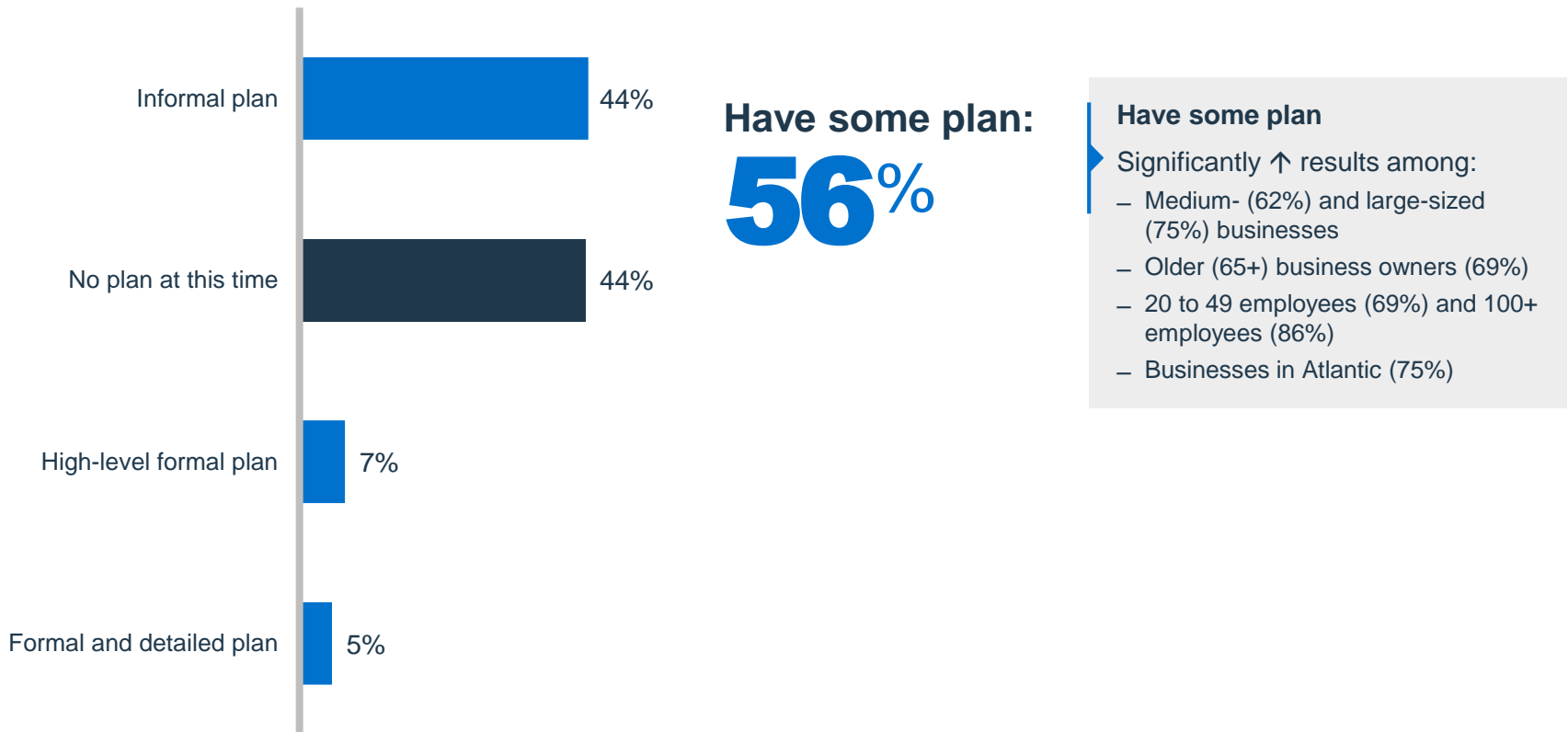


Base: S3Q2b = Business owners who intend to retire (n=162) and S3Q2c = Business owners who do not intend or have low intentions to retire (n=420). Those who didn't know were excluded from the calculation base.

Overall, **more than half** of companies say they have **some kind of transition plan**. The larger the company, the more likely it is to have a transition plan.



S3Q4. Does your company have a **transition plan**?





02.2

Employee hiring and retention

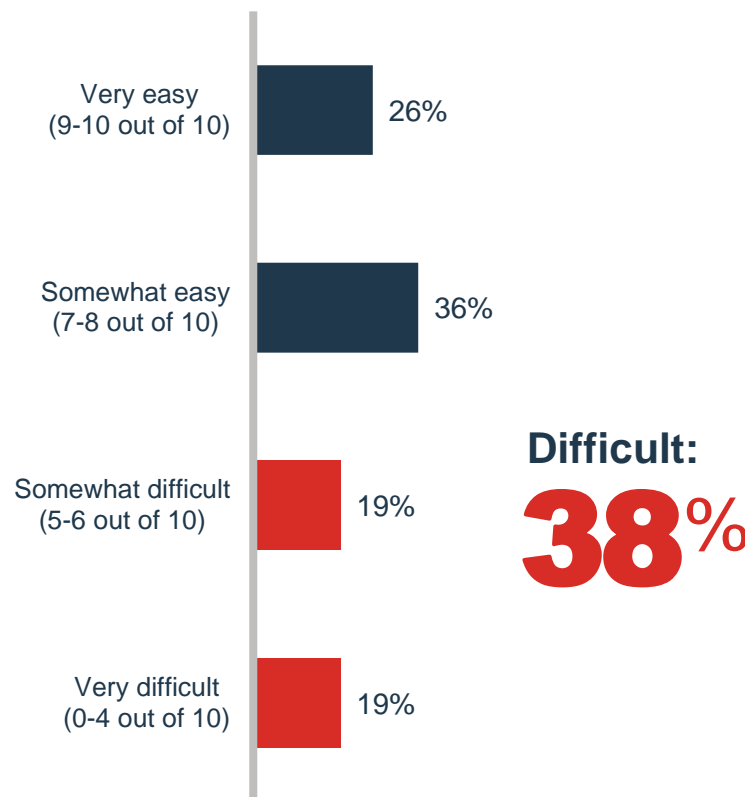
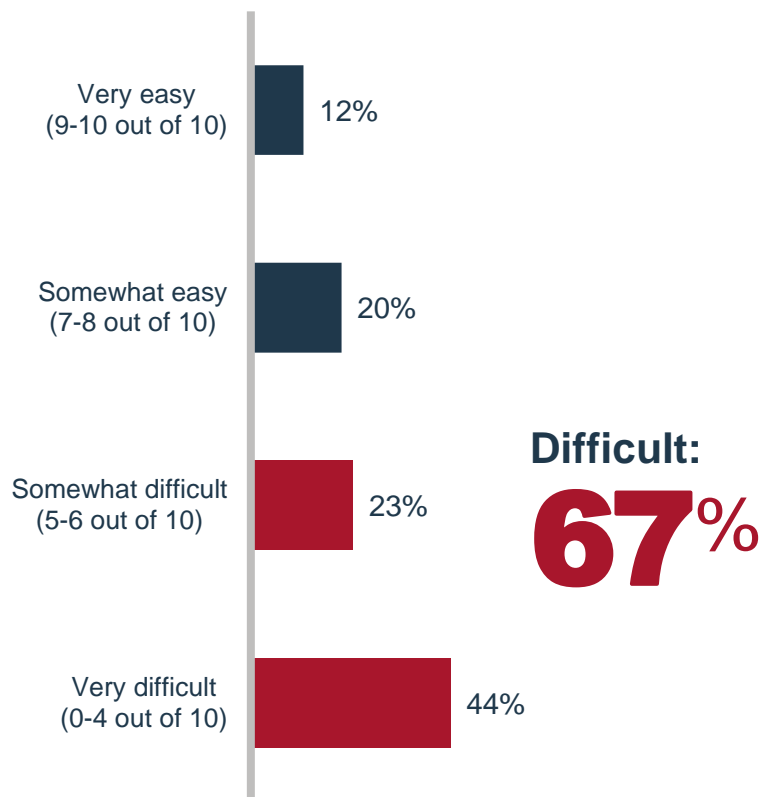


Hiring new employees is deemed **more difficult** than retaining existing ones at this time. Hiring is seen as less difficult by companies with 100+ employees and those in the tech sector.



S4Q1a. How easy is it for your company to **recruit** new employees?

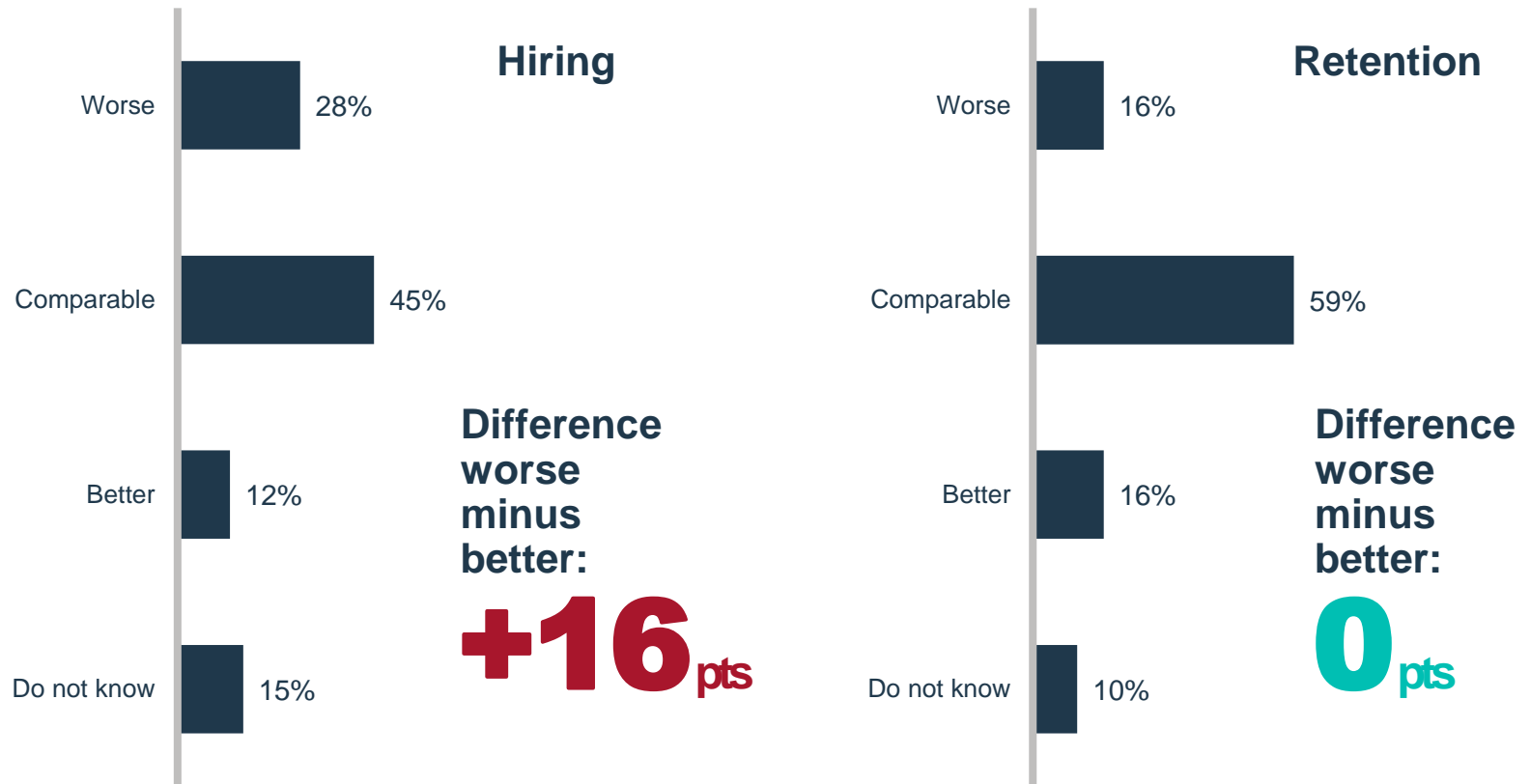
S4Q1b. How easy is it for your company to **retain** existing employees?



In general, companies are finding it **more difficult to recruit** now than they did before the crisis. The situation for **retention**, on the other hand, remains more or less **the same**.



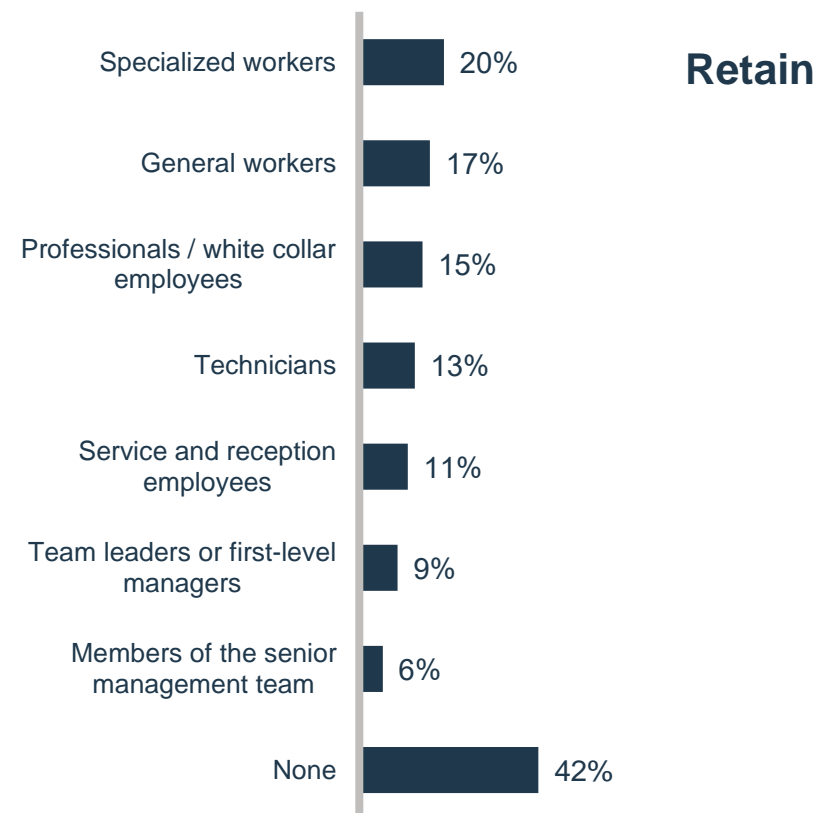
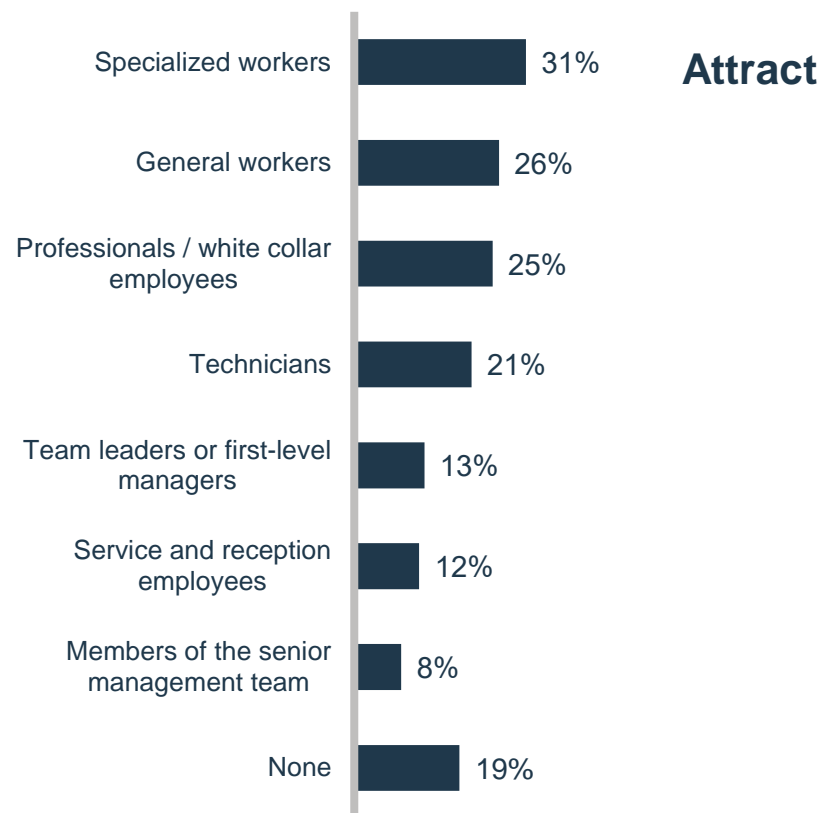
S4Q2. Looking back to the period **before the COVID-19** crisis, how does the current hiring and retention situation compare in terms of...?



Specialized and general workers are the hardest to recruit and retain, followed by white collars. Unsurprisingly, this varies according to the company's profile, as their needs tend to differ.



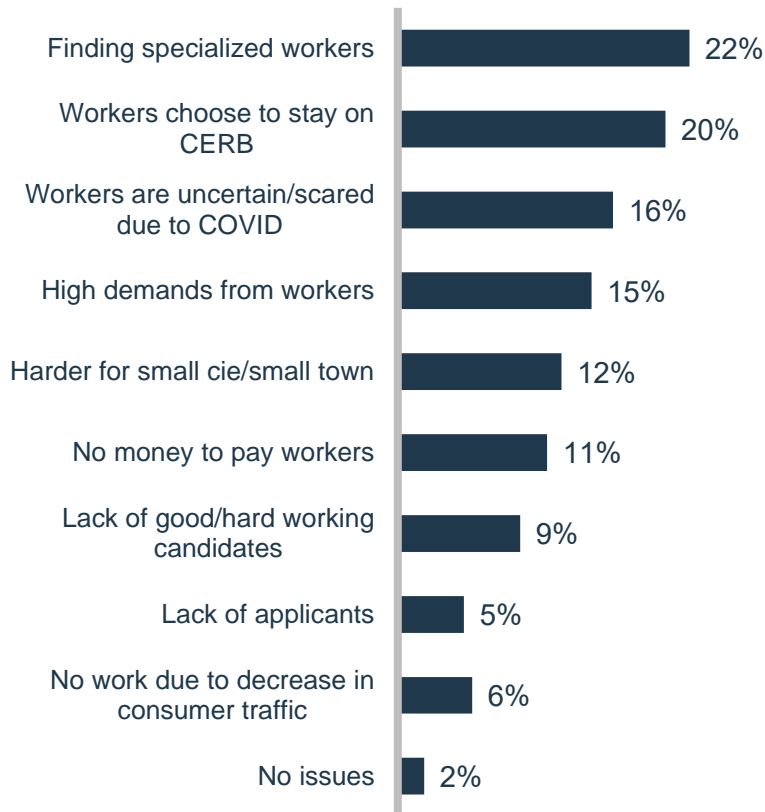
S4Q3/4. Are there **types of jobs** for which it is more difficult for you to attract new employees / retain existing employees?



About a quarter said **finding specialized workers** made recruiting difficult, mostly in manufacturing and retail. Workers opting to **stay on CERB** was also commonly stated, more so in construction.



S4Q5. What could explain **why you are having problems** recruiting or retaining employees at this time?



In respondents' words...

Employees in our industry are difficult to find, we have had to look outside of Canada for skilled trades people. Lack of new entries coming into the trades have to grow our own which takes 5 years or more to be productive have the necessary skills.

The CERB is making it extremely difficult to get workers back on the job, as well as recruiting. During the month of August, our revenue was suppressed by almost 10% due to lack of staff available in our hotels and restaurants.

The CERB has made it nearly impossible to hire new labour. People collecting the CERB get paid to do nothing so there is no incentive to look for a job!

The scarcity of resources on the market, the caliber of people needed, and the specificity of the knowledge required. We are doing fine at the moment. (Translated from French)

The scarcity of specialized technicians makes the market competitive and unsolicited offers are sent to them.(Translated from French)



02.3

Innovation and creativity



The crisis has mainly brought entrepreneurs to be creative in terms of **processes** and management of **workforce** and **working conditions**.



S5Q1. To what extent has the situation of the past few months prompted you to be **creative** and **reinvent what you did** in the following areas?

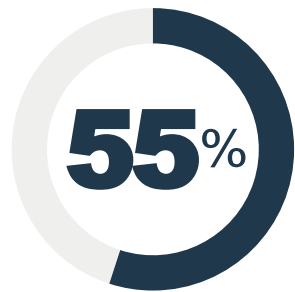


In many cases, the changes have been **forced** rather than the continuation of projects initiated, especially when it comes to employee **management** and **processes**.

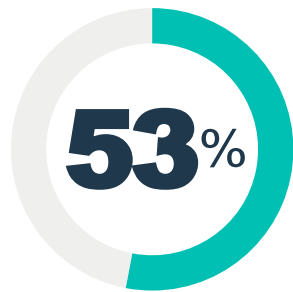


S5Q2. In general, has the crisis **forced** you to make changes or has it simply brought you to **move ahead** with projects that were already planned?

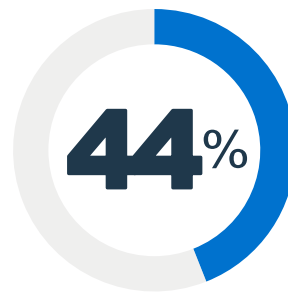
Were forced to change on...



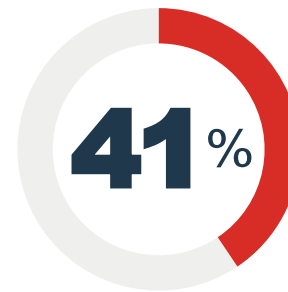
Employee mgt
and working
conditions



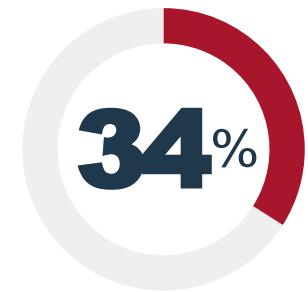
Processes and
ways of doing
things



Products and
service offering



Business
model

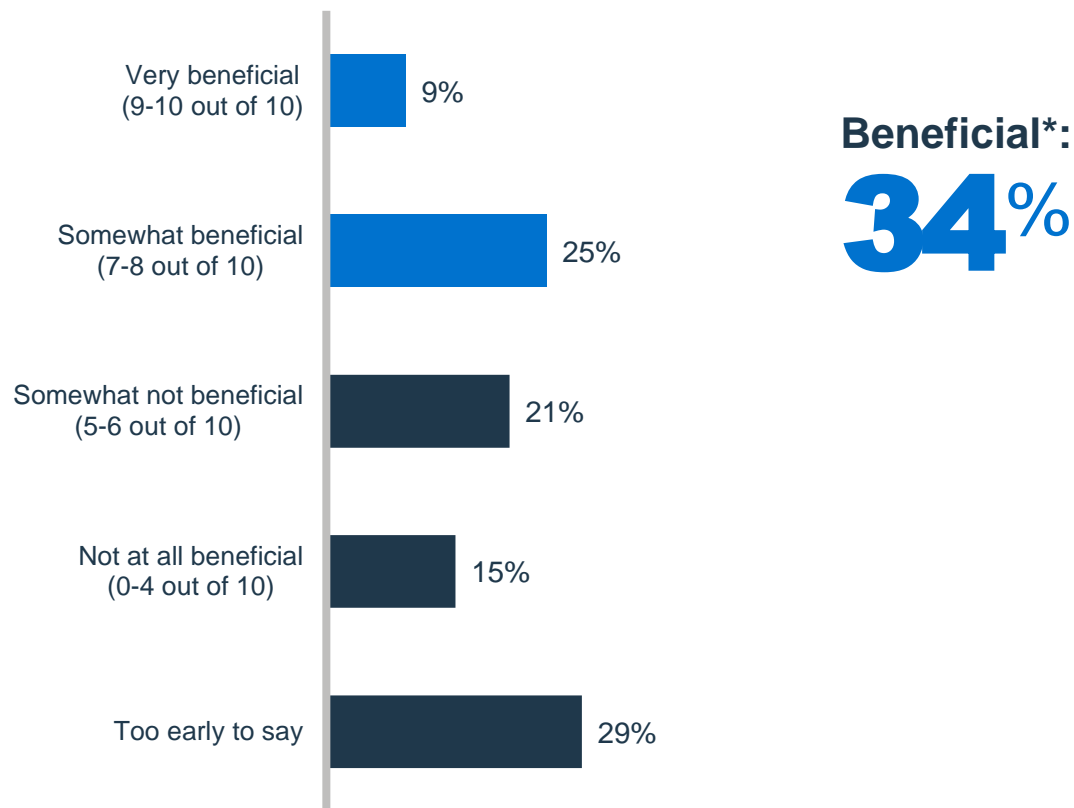


E-commerce and
online presence

More than a third of respondents consider that the changes implemented as a result of the pandemic have been **beneficial** to their business. Three in ten feel it is still too early to tell.



S5Q3. Overall, how **beneficial** has the implementation of these changes been to your company?



Base: Respondents who have been brought to be creative and reinvent themselves because of the crisis (n=539). Those who didn't know were excluded from the calculation base. *Sum of 7-10 out of 10.

A large blue abstract shape on the left side of the slide, tapering towards the top right.

02.4

Entrepreneur's needs

A red abstract shape in the bottom right corner of the slide, tapering towards the top left.

Over two out of five business owners said they would like to get advice or help on **how to be more strategic with the business.**



S6Q1. As a business owner, which of the following would you most like to have information or support about in order to help you **better manage your business?**



Base: Business owners only (n=583). Multiple mentions were allowed, therefore total may exceed 100%. Those who preferred not to answer were excluded from the calculation base.

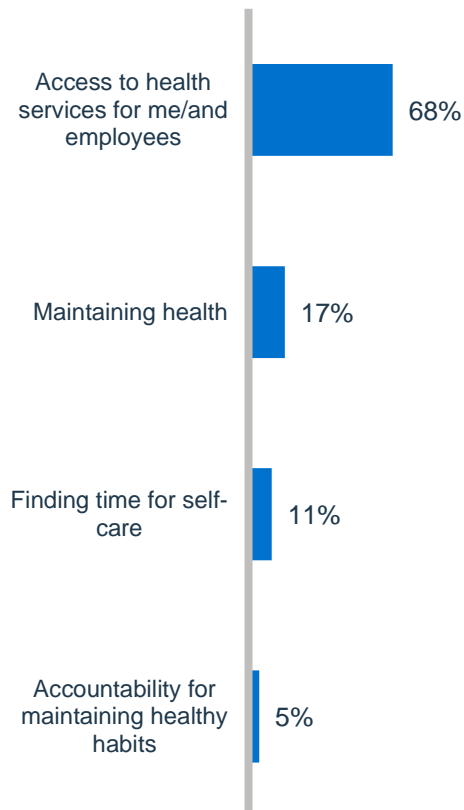
Entrepreneurs say they would benefit from **access to health services** for them and their employees, support for managing their **stress and anxiety**, and having an **ongoing coach**.



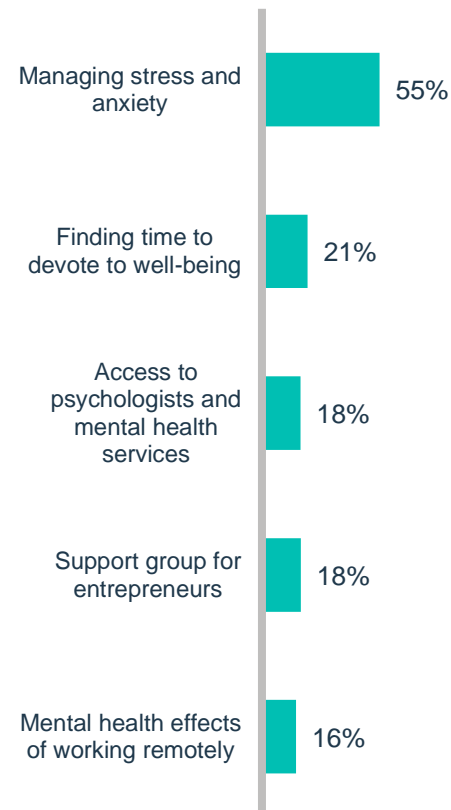
Coaching and mentoring on leadership



Physical health support and access to services*



Mental health support and access to services*

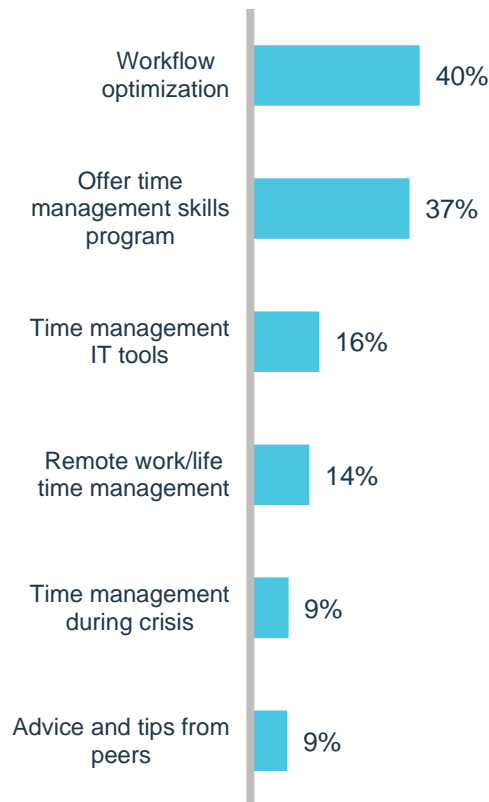


Base: Business owners who need information or support on the above-mentioned topics (n=20-77). S6Q2 was an open-ended question for which answers were coded; only top mentions are presented on this slide. *Sample size is small, please interpret with caution.

How to retain/hire **employees** during the crisis, advice on **workflow optimization**, re-configure their **strategic plan** and develop one's **time management** skills would be most needed.



Coaching on time management or optimization



Advice on being more strategic with the business



HR and employee management support

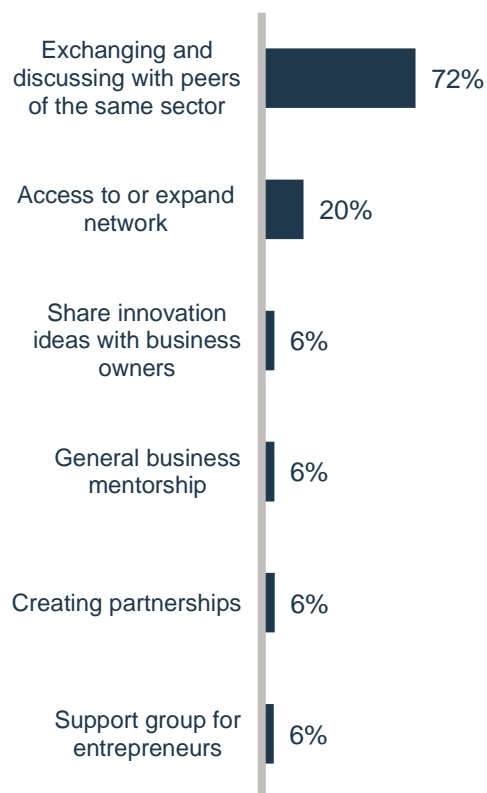


Base: Business owners who need information or support on the above-mentioned topics (n=65-159). S6Q2 was an open-ended question for which answers were coded; only top mentions are presented on this slide.

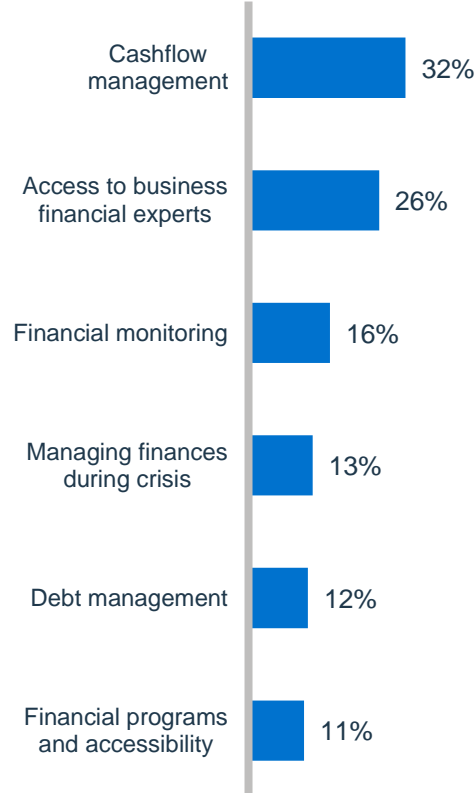
Interacting with **peers of the same sector** is clearly seen as a beneficial form of support. Practical advice on **technology implementation** and **cash flow management** also stand out.



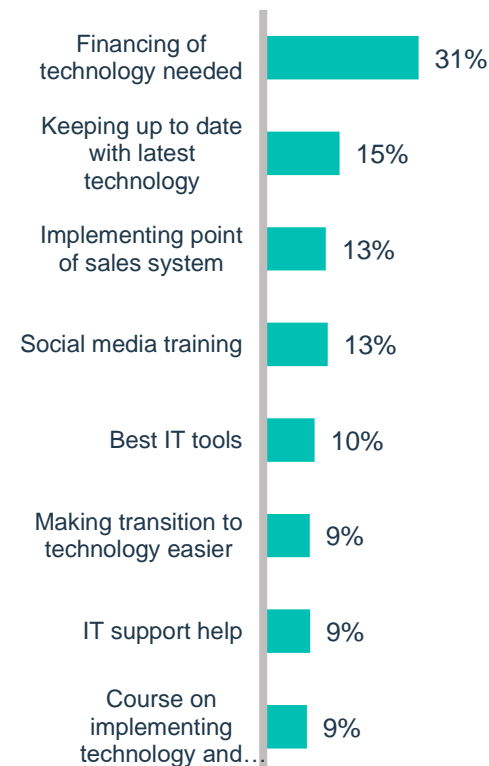
Access to a formal or informal network of peers



Advice or training on financial management



Advice or training on how to adapt and implement tech



Base: Business owners who need information or support on the above-mentioned topics (n=61-102). S6Q2 was an open-ended question for which answers were coded; only top mentions are presented on this slide.

Accessing coaching or mentoring on **leadership** is deemed easy by **2 in 5** business owners, whereas mental health support, HR support and coaching on time management seem more difficult to access.



S6Q3. To what extent is it **easy to access support outside your business** on the following areas of interest?



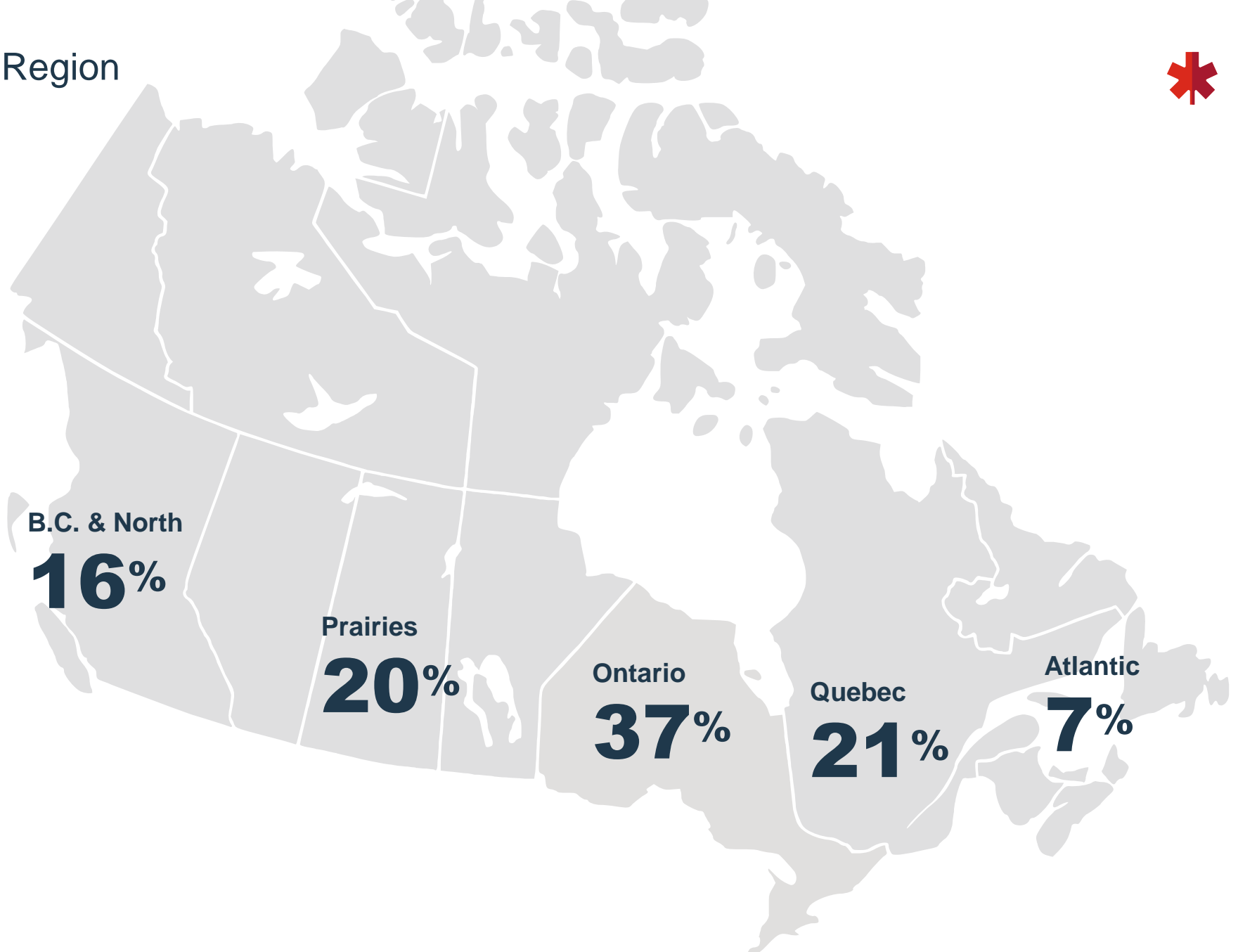
Base: Business owners who need information or support on at least one topic (n=30-222). Results are presented in terms of those who find easy to access support outside their business (proportion of 7 to 10 out of 10 scores).



03.

Respondent profile

Region

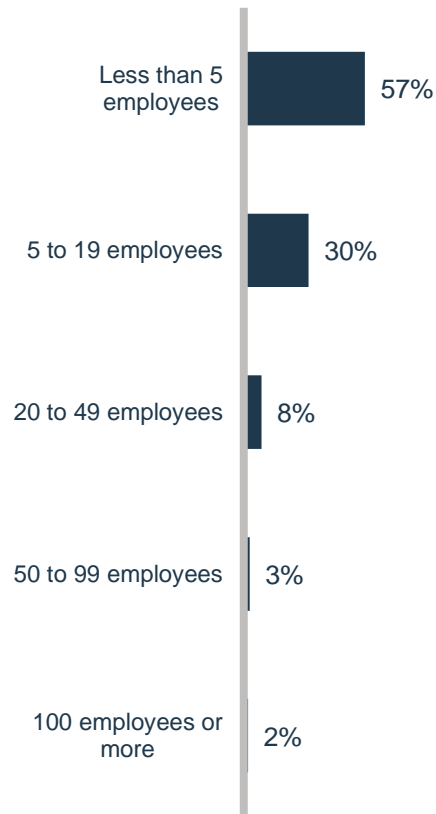


Base: All respondents (n=626).

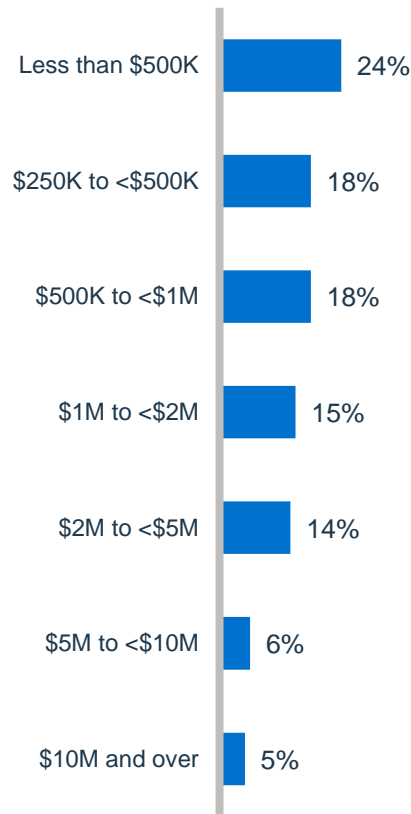
Number of employees, annual sales and revenue growth



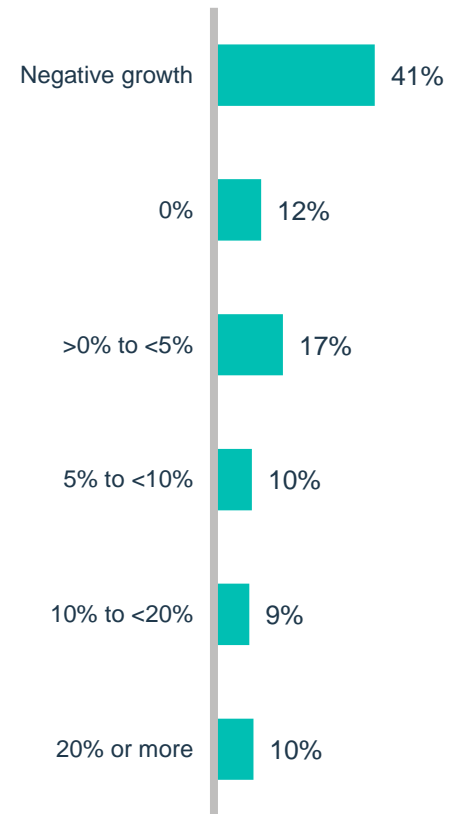
Number of employees



Annual sales

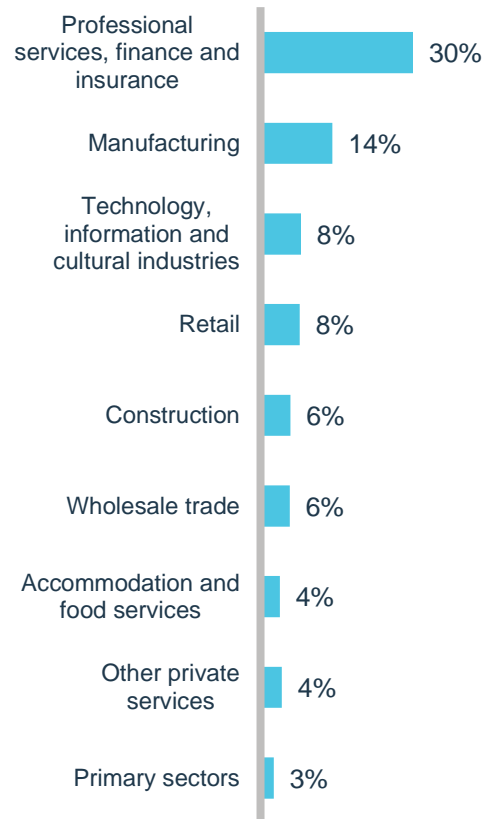


Revenue growth





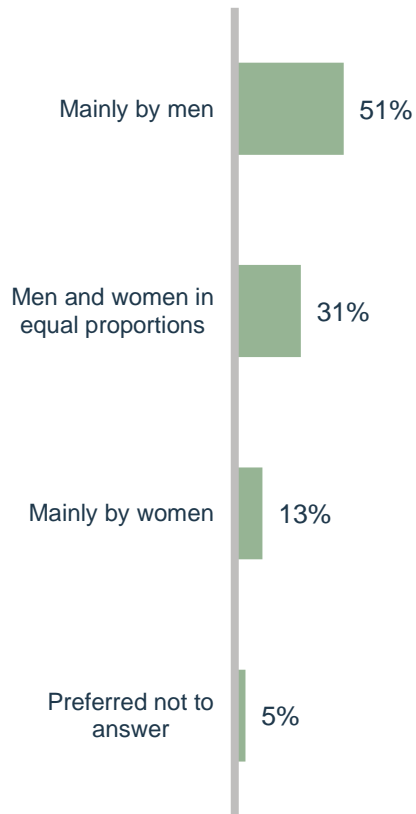
Sector of activity



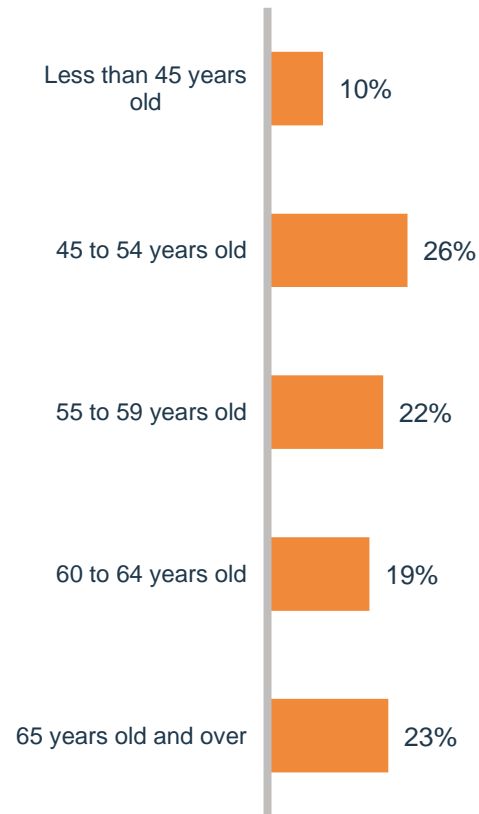
Gender ownership, age of owners and diversity groups



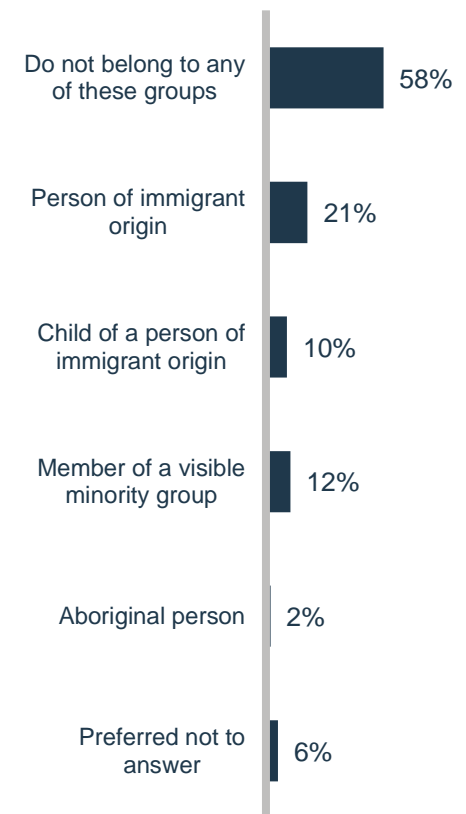
Gender ownership



Age of owners



Diversity groups





04. Methodology



- **Survey methodology:** Online.
- **Respondent profile:** Business owners and business decision makers from BDC ViewPoints panel.
- **Survey dates:** September 15 to 27, 2020.
- **Margin of error:** The maximum margin of error for a probability sample of 626 respondents is ± 3.9 percentage points, 19 times out of 20. As this survey is based on a non-probability sample, these numbers should be interpreted with caution.
- **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.
- **Data processing note:** Unless otherwise mentioned, calculation bases exclude respondents who preferred not to answer the question. Other appropriate exclusions are detailed on the different slides.



Thank you.

Research and Market Intelligence

For more info, please contact us at:

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