

# Survey on business growth potential and ambition

Survey report

Research and Market Intelligence at BDC



March 2023

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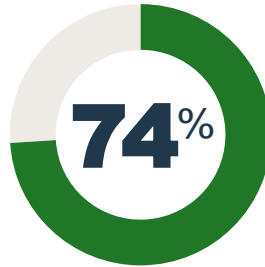
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# Key highlights

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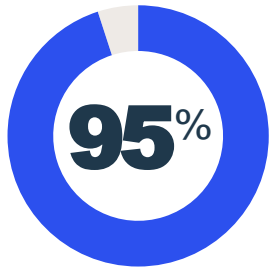
Growth is **IMPORTANT** to almost all SMEs



of respondents find it **very important** to grow their business

More **likely** to find growth **very important**:

- Owners of younger SMEs
- People in Atlantic and Ontario
- Those who belong to a diversity group
- Women



of respondents believe that **growth and success** are interconnected

About **two thirds** of respondents think that these two concepts are “**closely related**”



SME owners believe that growth is **LINKED** to success

**18%**

of business owners reported **no revenue growth** in the last year



Businesses that **did not grow** in the last 12 months are more likely to be **small** (lowest revenue and smallest number of employees)

**Those who own a business with no growth are more likely to say that it is “very important” for them to grow their business**

# Key highlights



Respondents were asked to assess their growth mindset and their business's growth potential on a scale from 0 to 10, based on ten statements, and grouped into six characteristics. Characteristics' scores were then summed up to obtain a total score out of 60 points.

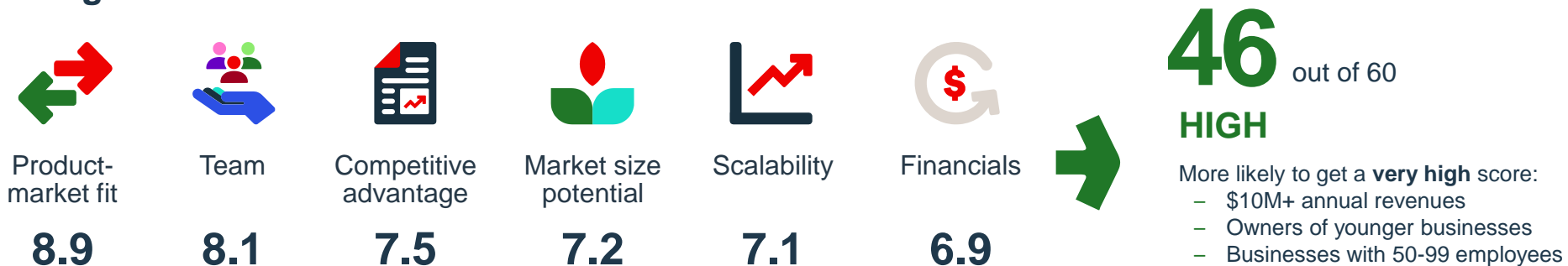
## Business owner growth mindset

### Average scores



## Business growth potential

### Average scores





# 2

## Methodology

# Methodology



## Survey methodology

- ➔ Online survey

## Respondent profile

- ➔ Business owners from the BDC ViewPoints online panel

## Survey dates

March 7<sup>th</sup> to 17<sup>th</sup>, 2023

## Margin of error

- ➔ For a probabilistic sample of 697 respondents, the maximum margin of error is  $\pm 3.7$  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.



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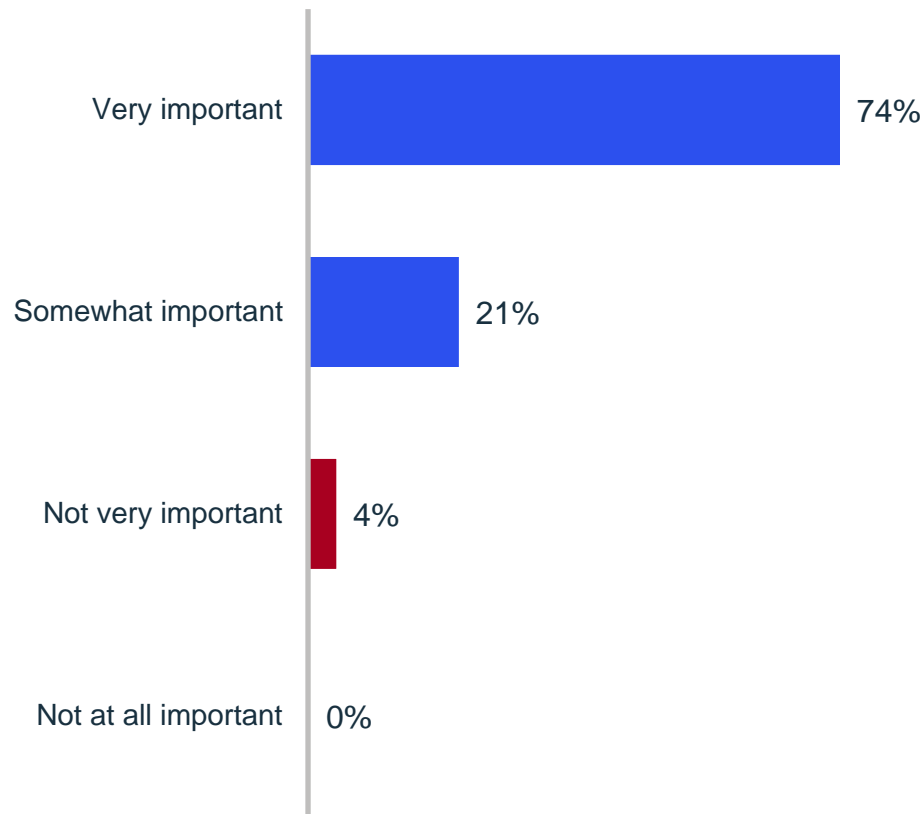
Detailed results



# Importance of business growth



S3Q1. How important is it for you to **grow your business**?



**Important**      **Not important**  
**96%**      **4%**

## More likely to say it is...

### VERY IMPORTANT

- Young businesses (<5 years) (91%)
- SMEs in Atlantic (89%) and Ontario (81%)
- Non profitable SMEs (88%)
- Members of a visible minority group (87%)
- Those in manufacturing (85%) or retail (86%)
- Women-owned businesses (84%)
- Younger entrepreneurs (<45) (84%)

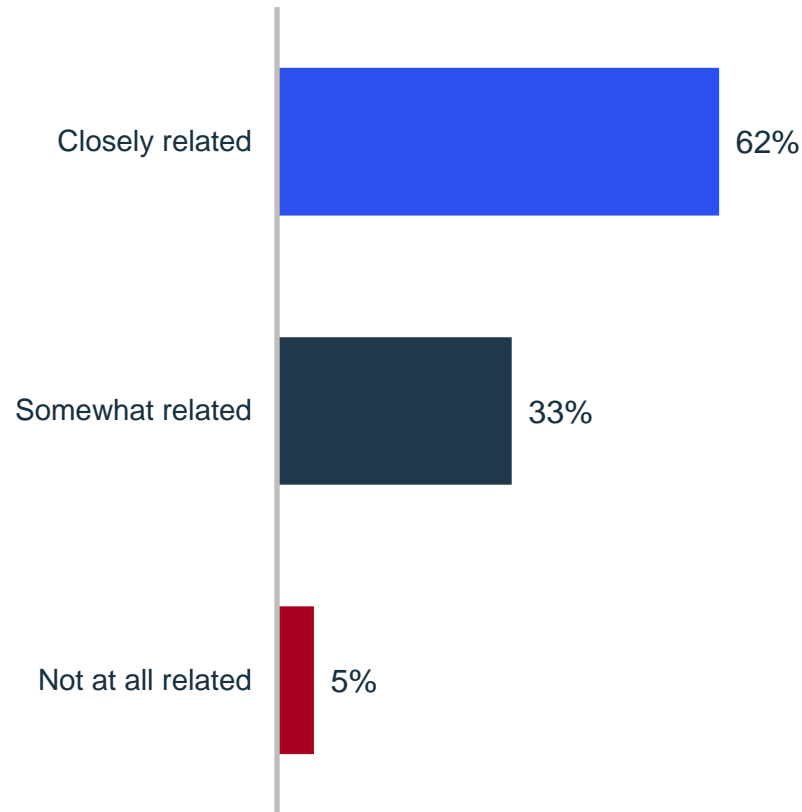
### NOT IMPORTANT (TOTAL)

- SMEs in business for 25+ years (8%)
- 1 to 4 employees (7%)
- Older entrepreneurs (45+) (5%)

# Relation between success and growth



S3Q2. To what extent do you think **your company's success is linked to its growth**? Success and growth are...



**Related**

**95%**

**More likely to say they are...**

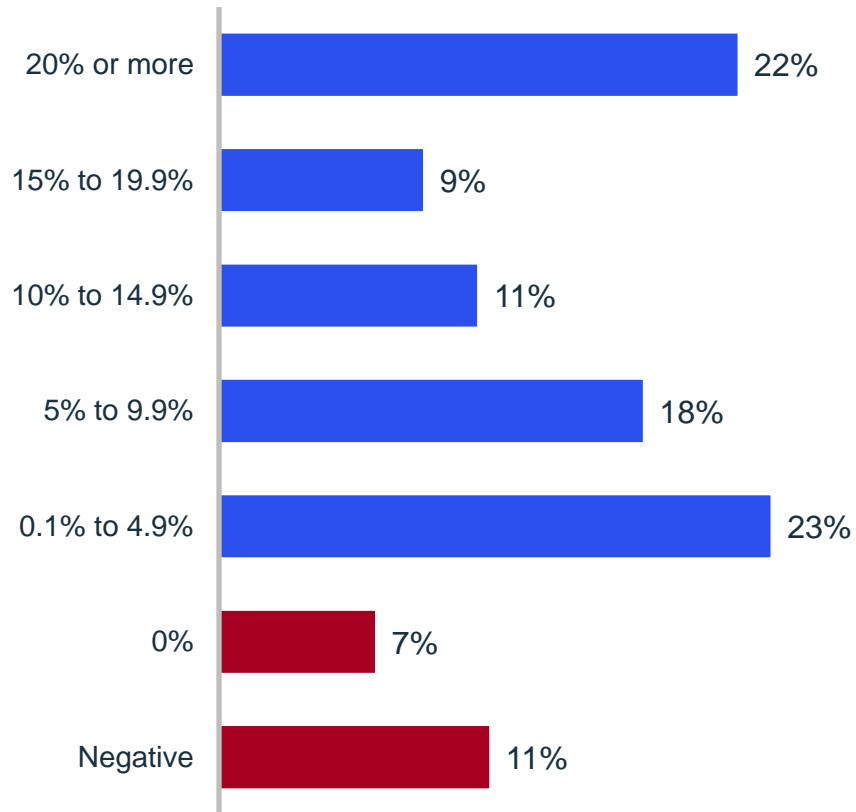
**CLOSELY RELATED**

- Members of a visible minority group (80%)
- SMEs with a very high growth potential score (50+) (71%)
- SMEs in Atlantic (78%) and Ontario (68%)
- Those in business for <10 years (74-77%)
- Non profitable SMEs (74%)
- English-speakers (65%)

# Annual growth in the last 12 months



S3Q3b. What was your business's **annual sales or revenue growth** over the last 12 months?



**Grew**

**82%**

**Did not grow**

**18%**

**More likely to say they...**

**GREW**

- Businesses with 100+ employees (98%)
- Profitable SMEs (92%)
- Those with revenues of \$10M or more (92%)

**DID NOT GROW**

- Businesses with 1 to 4 employees (21%)
- SMEs with revenues under \$2M (20%)

# Growth mindset (statements' average scores)



S3Q3. The following statements assess your **mindset** as an entrepreneur. To what extent do you **agree** with each of the following statements?

## Average score out of 10 by statement

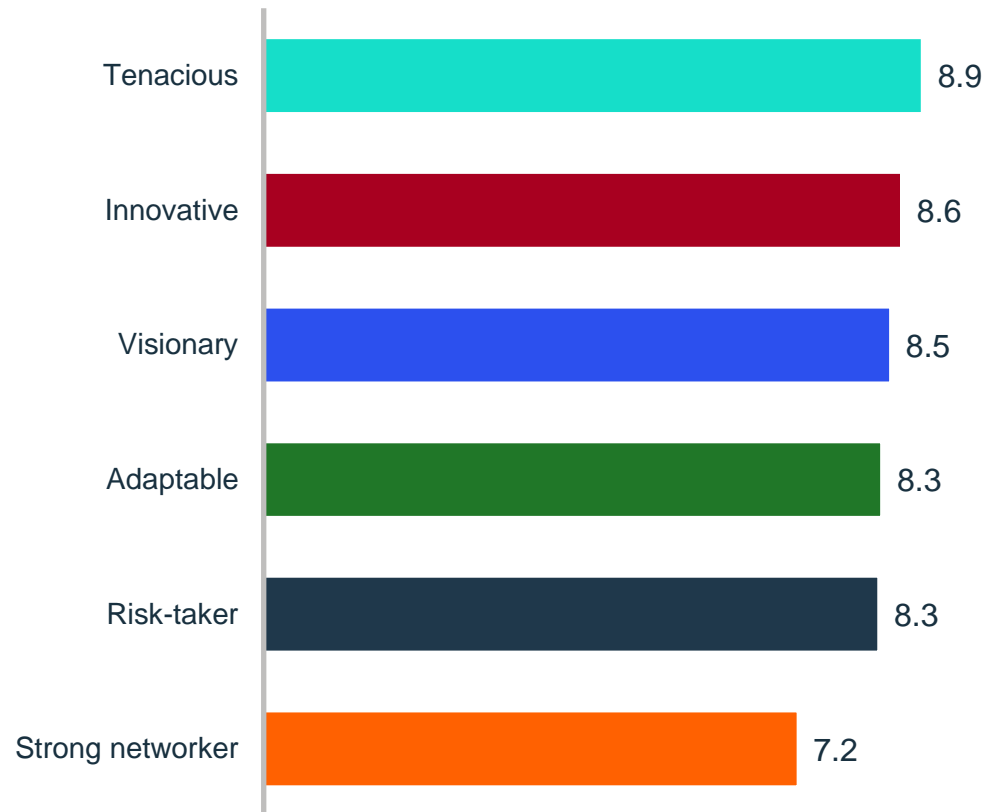


# Growth mindset (characteristics' average scores)



S3Q3. The following statements assess your **mindset** as an entrepreneur. To what extent do you **agree** with each of the following statements?

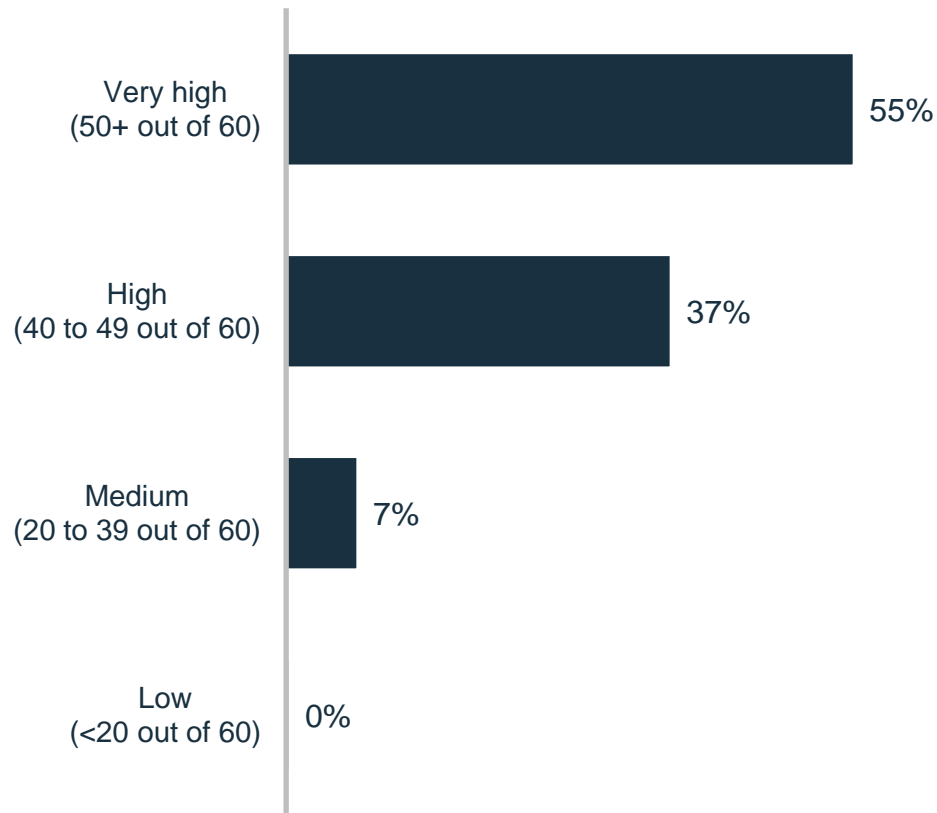
## Average score out of 10 by characteristic



# Growth mindset score



S3Q3. The following statements assess your **mindset** as an entrepreneur. To what extent do you **agree** with each of the following statements?



## Total average score

**50** out of 60

### More likely to obtain a...

#### VERY HIGH SCORE

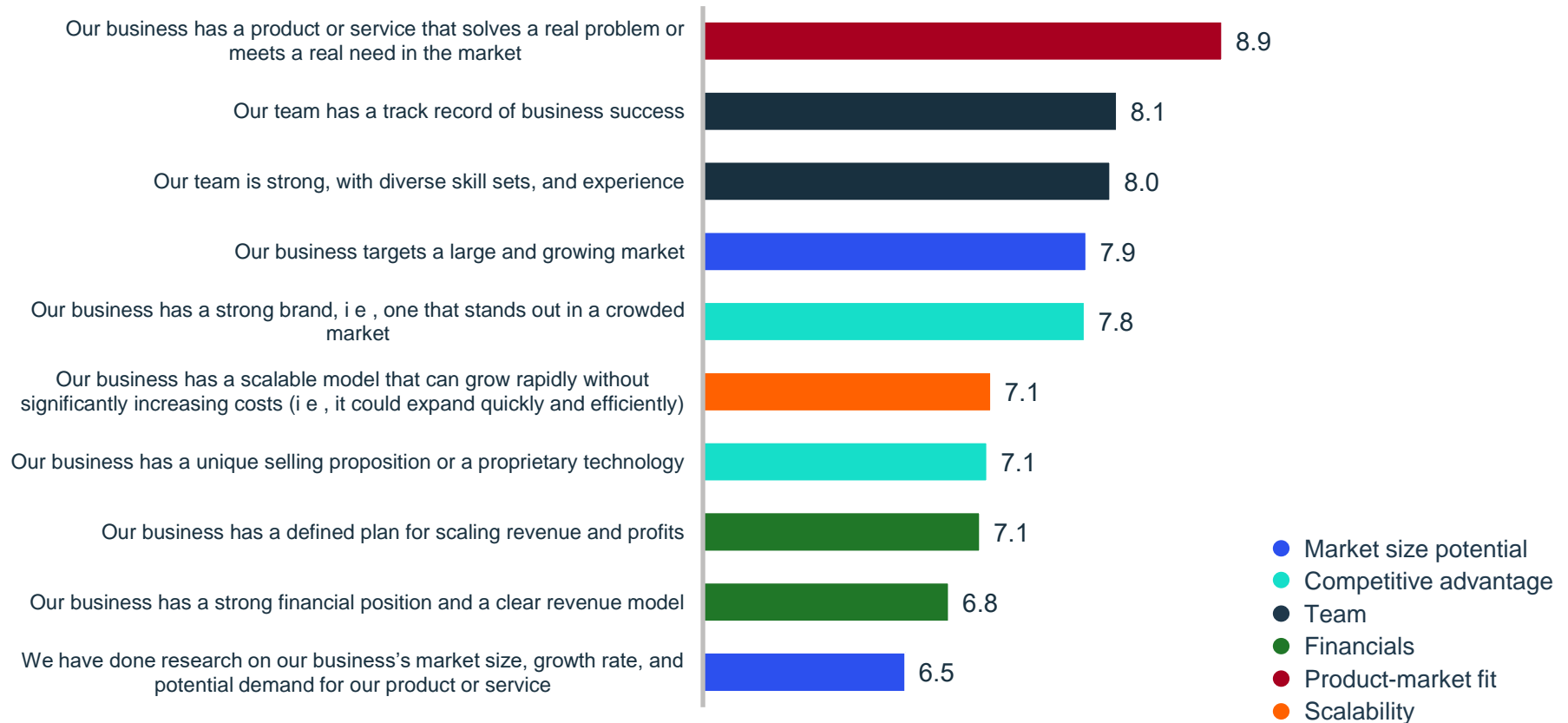
- Businesses with a very high growth potential score (50+) (84%)
- Those with revenues of \$10M or more (70%)

# Growth potential (statements' average scores)



S3Q4. The following statements assess your **business** and its high-growth potential. To what extent do you **agree** with each of the following statements?

## Average score out of 10 by statement

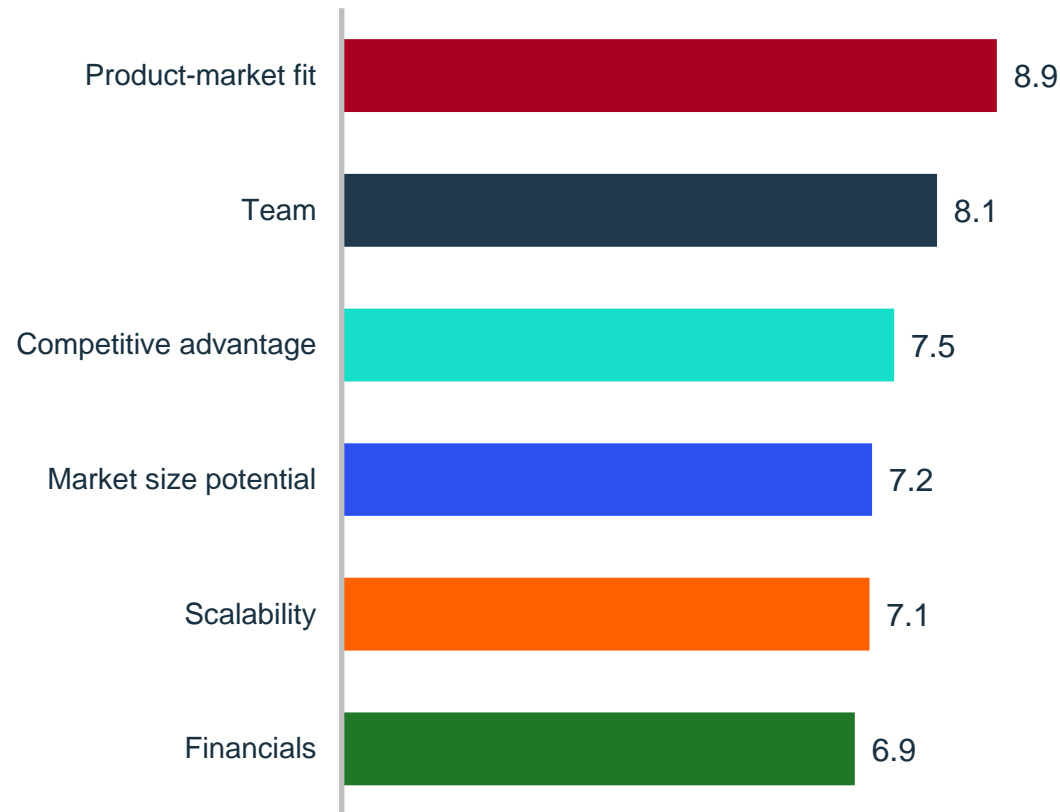


# Growth potential (characteristics' average scores)



S3Q4. The following statements assess your **business** and its high-growth potential. To what extent do you **agree** with each of the following statements?

## Average score out of 10 by characteristic

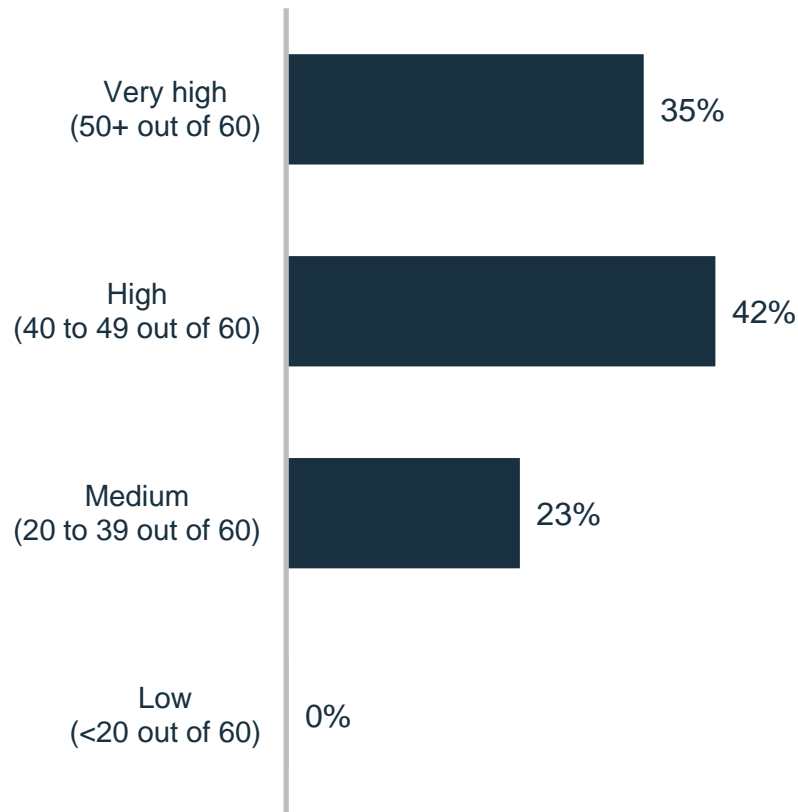




# Growth potential score



S3Q4. The following statements assess your **business** and its high-growth potential. To what extent do you **agree** with each of the following statements?



## Total average score

**46** out of 60

### More likely to obtain a...

#### VERY HIGH SCORE

- Entrepreneurs with a very high growth mindset score (53%)
- Those in business for <5 years (52%)
- Businesses with 50 to 99 employees (50%)
- Those with revenues of \$10M or more (49%)



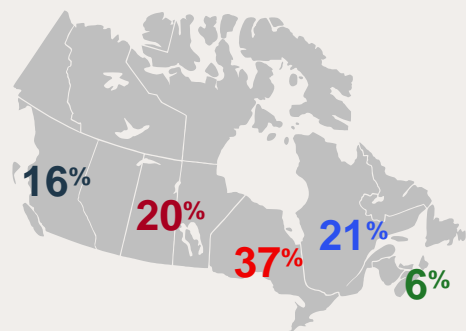
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# Respondent profile

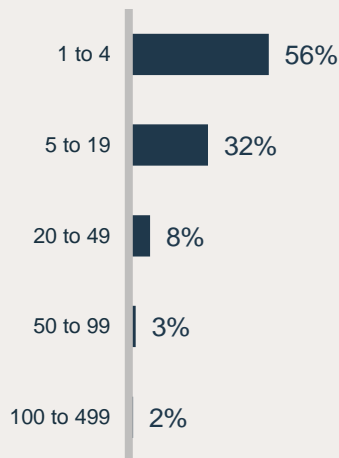
# SME respondent profile



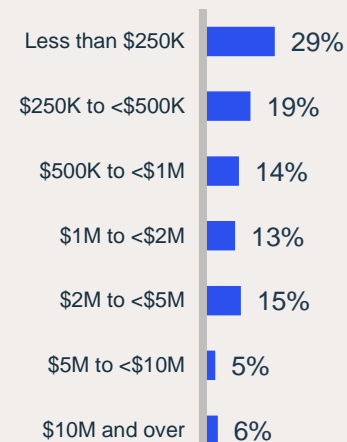
## Region



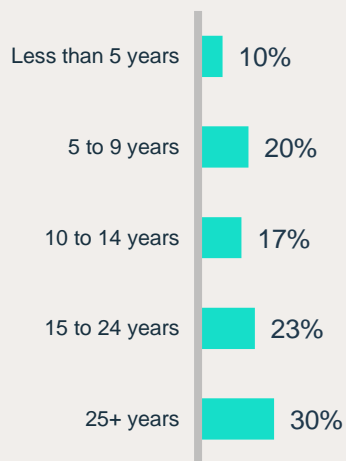
## Number of employees



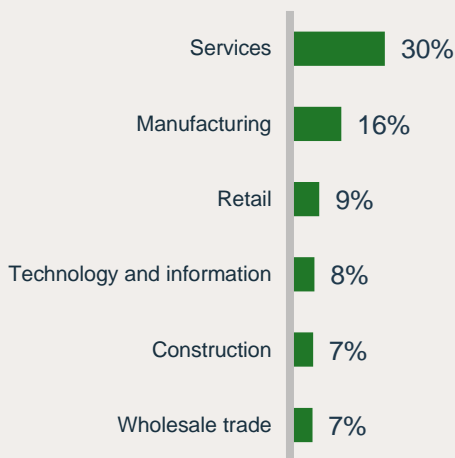
## Annual sales



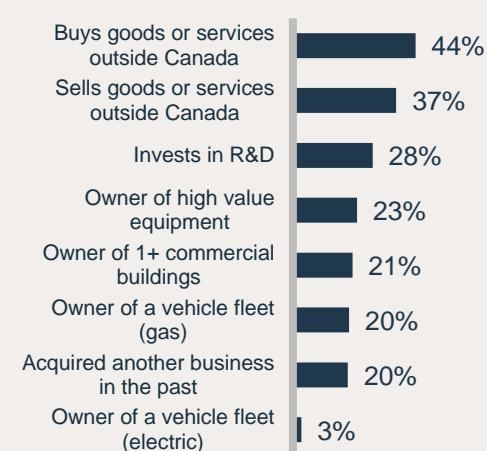
## Years in business



## Main sector of activity



## Specific activities\*

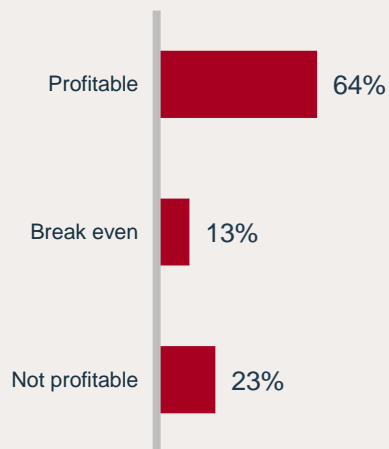


Base: All respondents (n=696-697). Those who did not know or preferred not to answer were excluded from the calculation base. For the sectors, only those with 7%+ respondents are presented. \*Multiple mentions were allowed, therefore total exceeds 100%.

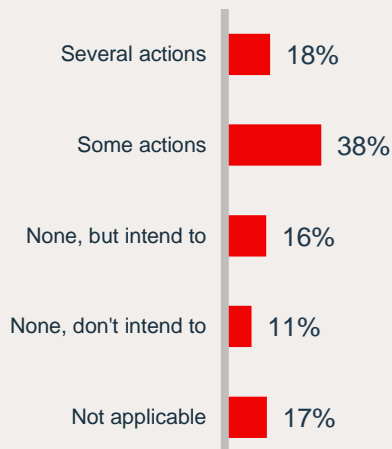
# SME respondent profile



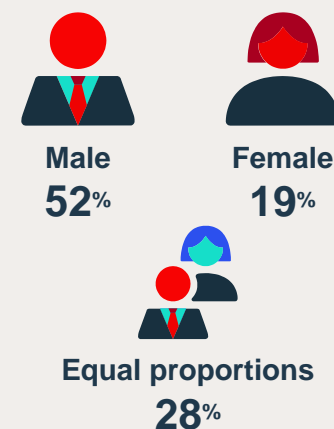
## Profitability



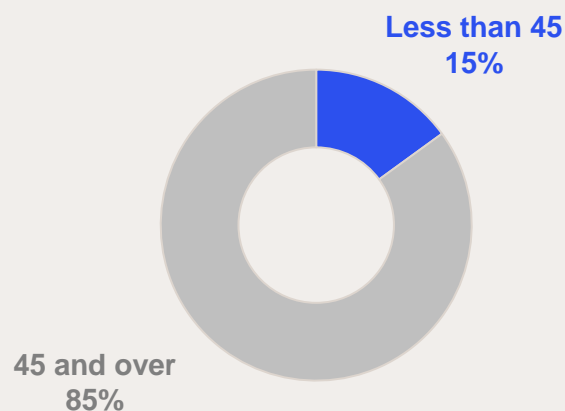
## Carbon footprint actions



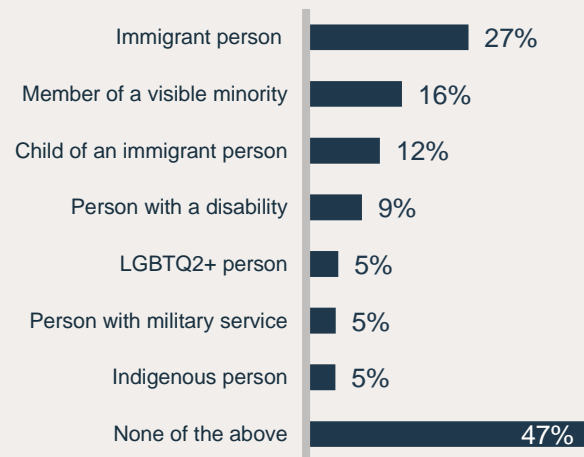
## Gender ownership



## Owners' age



## Diversity\*



Base: All respondents (n=651-684). Those who did not know or preferred not to answer were excluded from the calculation base. \*Multiple mentions were allowed, therefore total exceeds 100%.

# Thank you

Research and Market Intelligence team

