



***ViewPoints* online panel:  
Opinion of the Canadian entrepreneurs on the  
current economic situation**

May 2009



Canada

# Survey methodology

- > We surveyed **entrepreneurs** who were members of the *ViewPoints* panel as of May 6, 2009. They received an email invitation to participate in this study. The study was conducted between May 6 and May 20, 2009.
- > Results of the survey were **analyzed internally** by the BDC Marketing Research team.
- > A total of **231 entrepreneurs** completed the survey. Details pertaining to the distribution are provided in the second section of this report.
- > Results were **weighted** according to the **size of the firm** and **region**. This was done in order to obtain results that are representative of the Canadian SME population.

*Note: At the present time, the MRIA prevents its members of attributing a margin of error to surveys conducted online. In their opinion, online surveys are not a probabilistic sample. A probability sampling scheme is one in which every unit in the population has a chance (greater than zero) of being selected in the sample, and this probability can be accurately determined.*

# Survey results

# Highlights: Perception of entrepreneurs

## Tightening of credit : A concrete reality

- > Two out of five entrepreneurs (39%) have **experienced a tightening of credit**.
- > Nearly half of the entrepreneurs surveyed (46%) were recently **seeking financing**.
  - Among them, one-third obtained their financing (34%), while 40% did not. One quarter of the entrepreneurs (25%) were still waiting for a response.
- > For the most part, entrepreneurs were seeking **operating lines** (71%), and, to a lesser extent, term loans (28%), business credit cards (22%) and commercial mortgages (18%).

## Factors which may affect business growth in the near future

- > Entrepreneurs identified a tightening of credit (70%), the recession (65%), an increase in fuel costs (45%) and material (40%) as well as a challenging labour market (33%) as potential **factors which may adversely affect business growth**.
- > Conversely, a strong / stable economy overall (59%), the value of the Canadian dollar (41%) and a strong labour market (41%) were mentioned by entrepreneurs as key factors which **factors positively impact business growth in the near future**.

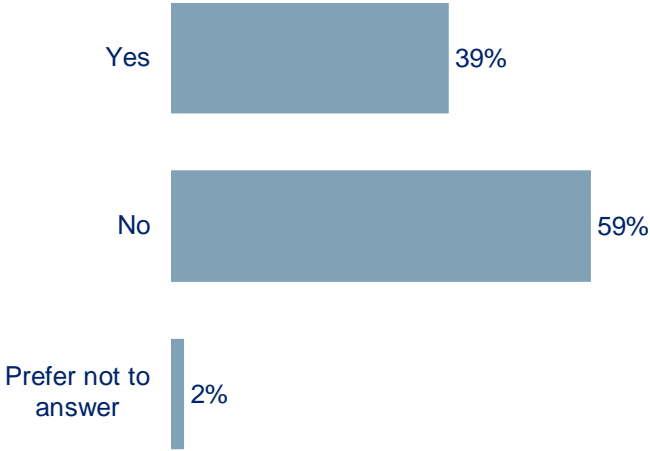
## Optimism is at its highest at a micro level and decreases at a macro level

- > Generally speaking, **entrepreneurs are much more optimistic about their business than they are of their industry or the Canadian economy as a whole**. An impressive 86% of entrepreneurs are very or somewhat optimistic of their own business' growth potential. This ratio slides to 75% when focusing on their industry's growth potential and to 60% when considering the Canadian economy as a whole.

# Experiencing a tightening of credit conditions

> Have you personally experienced a tightening of credit since the beginning of the current economic crisis?

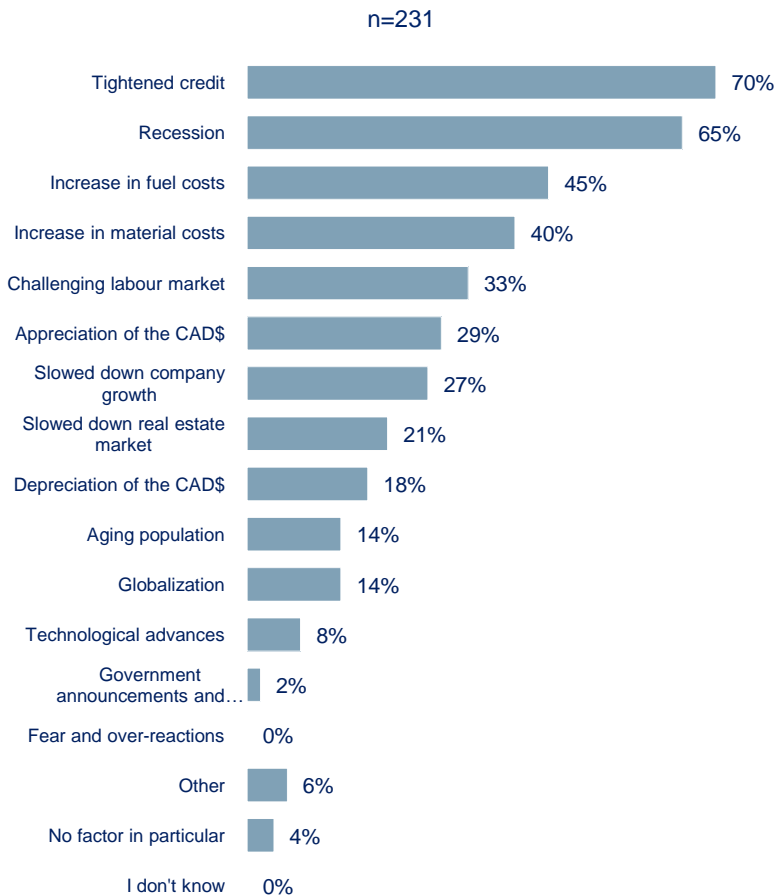
n=231



> Overall, it would seem that two out of five entrepreneurs (39%) have **experienced a tightening of credit** since the beginning of the current economic crisis.

# Negative factors affecting entrepreneurs and businesses

- > According to you, what are the factors that might **negatively** affect business growth in the near future (next 12 months)?



- > When asked to determine which factors might **affect negatively** business growth in the near future, the main answers provided by **entrepreneurs** are:

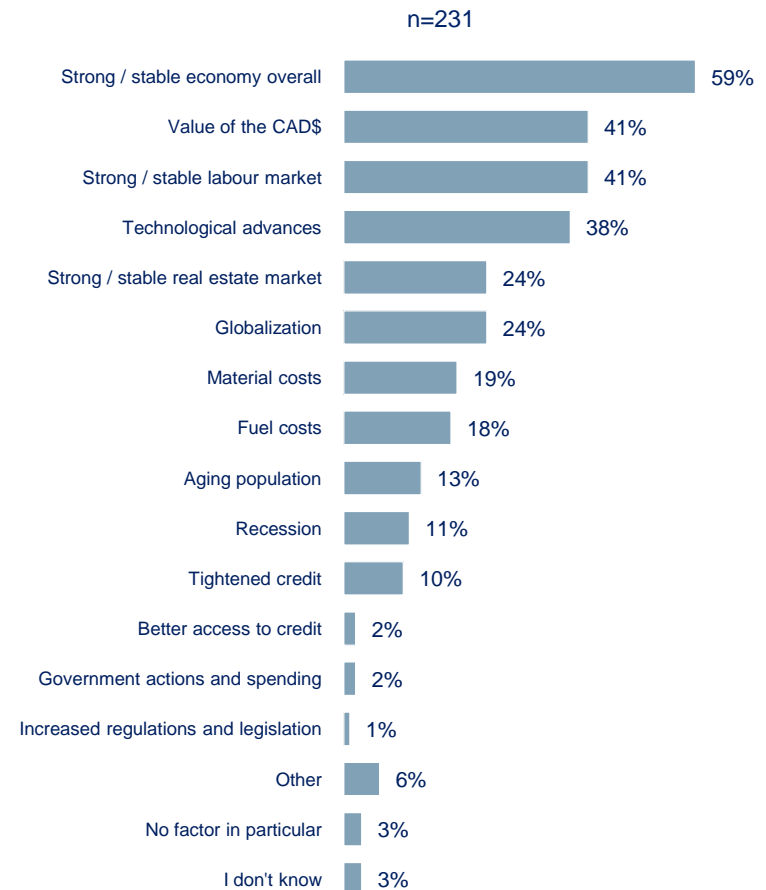
- A tightening of credit (70%);
- An economic recession (65%);
- An increase in fuel costs (45%);
- An increase in material costs (40%);
- And, a challenging labour market (33%).

# Positive factors affecting entrepreneurs and businesses

> The main factors evoked by **entrepreneurs** which may **positively affect** business growth in the near future are:

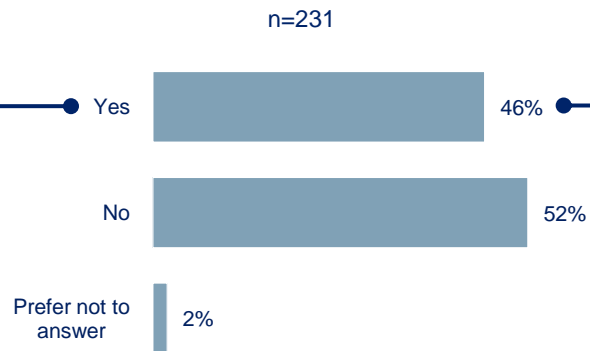
- A strong / stable economy overall (59%);
- The value of the Canadian dollar (41%);
- A strong / stable labour market (41%);
- Technological advances (38%);
- A strong / stable real estate market (24%);
- And, globalization (24%).

> According to you, what are the factors that might **positively** affect business growth in the near future (next 12 months)?



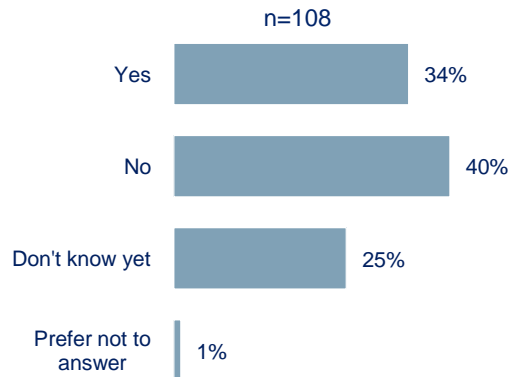
# Funding currently sought and growing needs

> Were you recently seeking financing for your business?



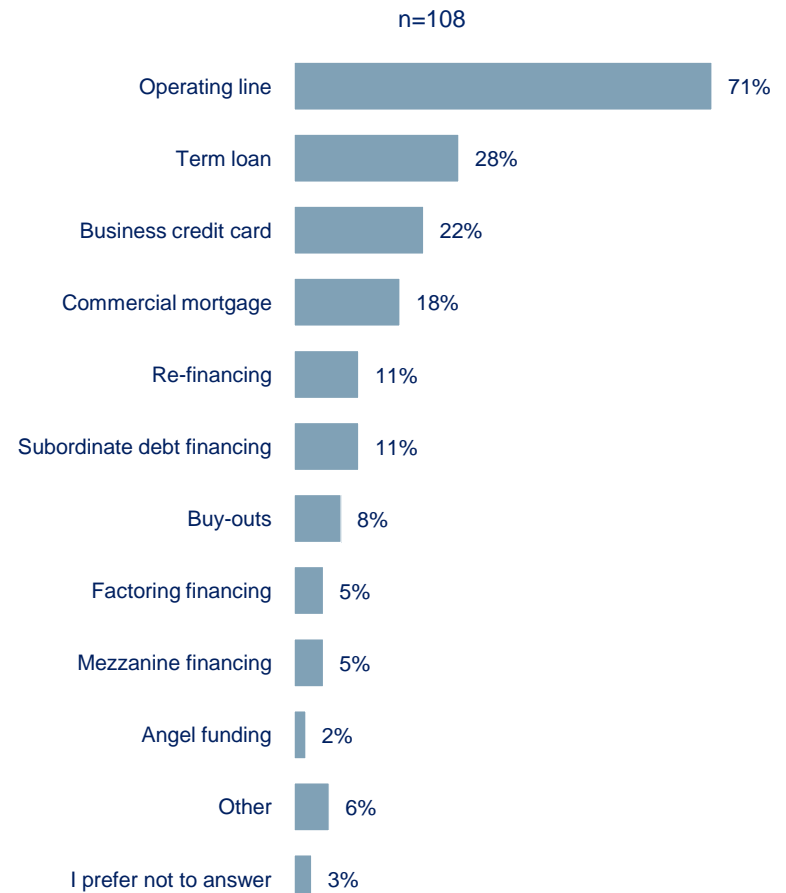
Base: All entrepreneurs.

Did you obtain the funding you were seeking?



Base: All entrepreneurs.

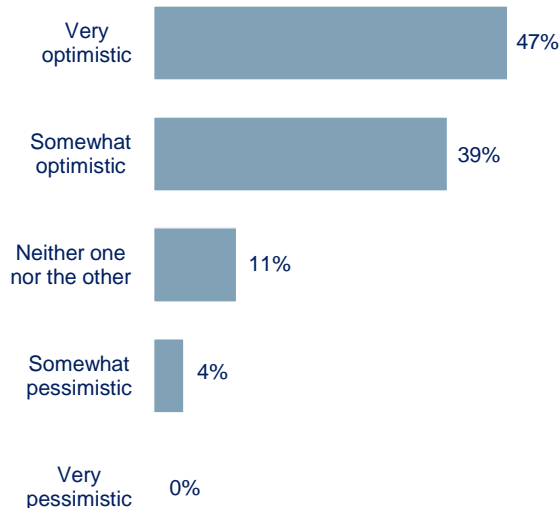
What type of funding were you seeking?



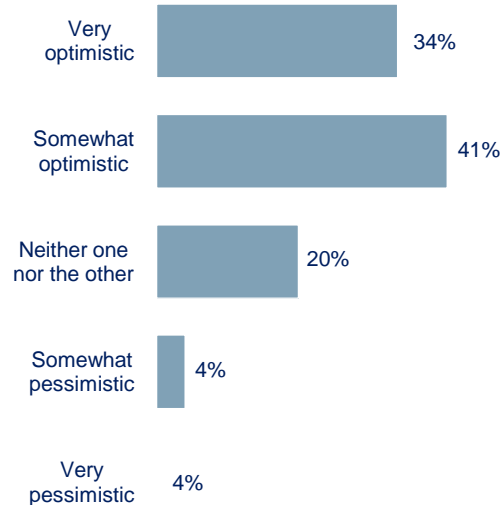
# State of mind regarding growth potential and economy

- > The level of **optimism** is at its **highest** when assessing the **entrepreneurs' own business growth potential** (level of optimism 86% - 47% very optimistic and 39% somewhat optimistic). This incredibly high level of optimism most probably indicates that entrepreneurial optimism is **directly related to their realm of control**.
- > Since entrepreneurs have a smaller impact on their industry and an even smaller one on the Canadian economy, their level of optimism decreases. **Entrepreneurial optimism...**
  - > ...peaks at 86% for their business;
  - > ...drops to 75% for their industry; and
  - > ...is at its lowest when assessing the Canadian economy (60%).

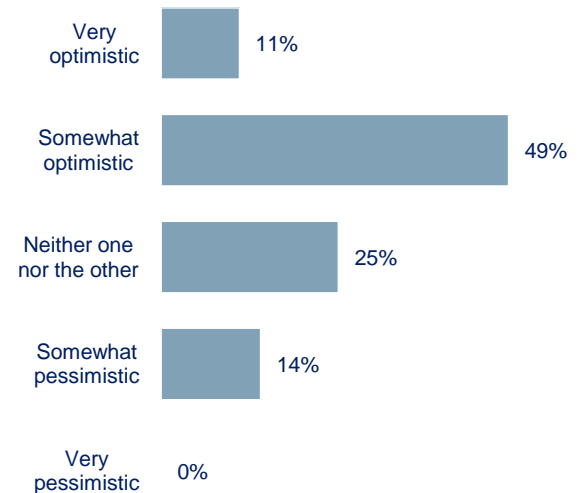
**State of mind vs. one's business' growth potential**



**State of mind vs. one's industry's growth potential**  
n=231

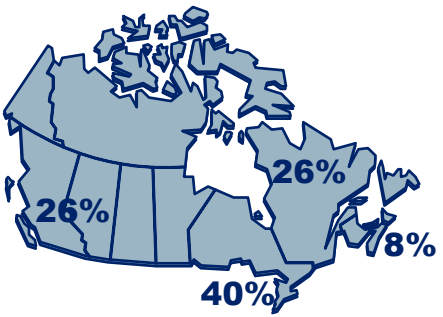


**State of mind vs. Canadian economy as a whole**

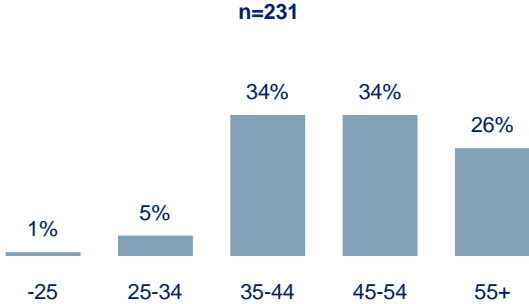


# **Respondent profile**

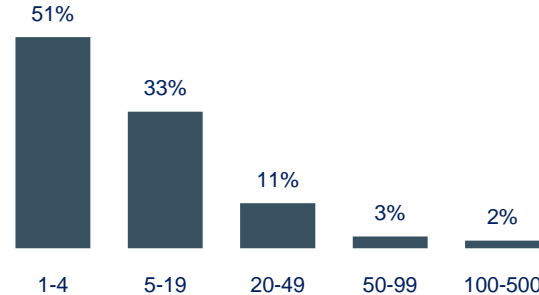
# Respondent profile



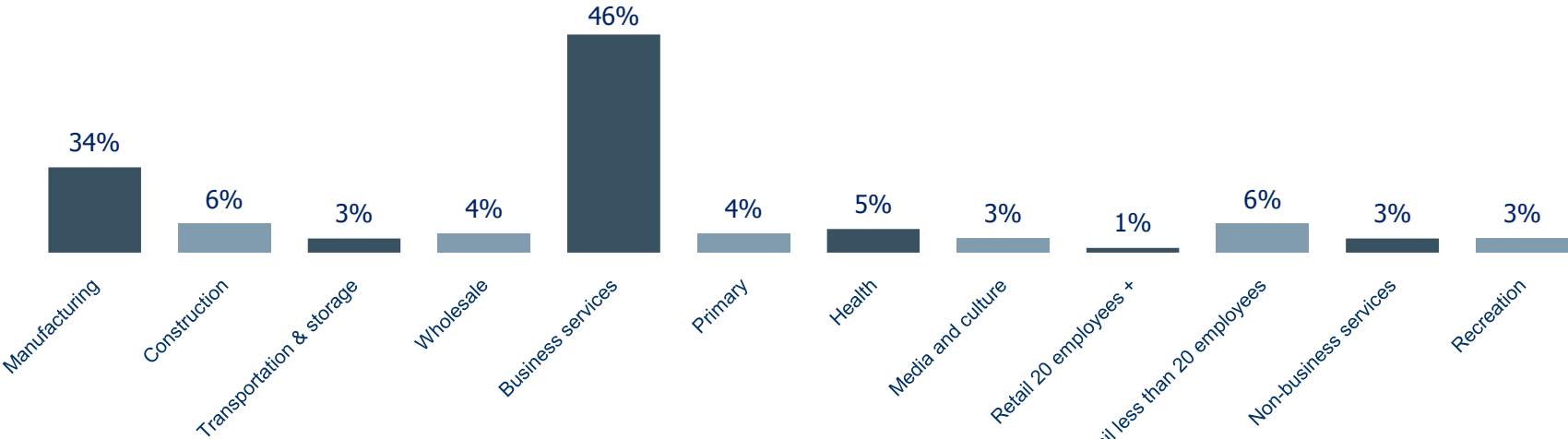
Region



Age



Number of employees

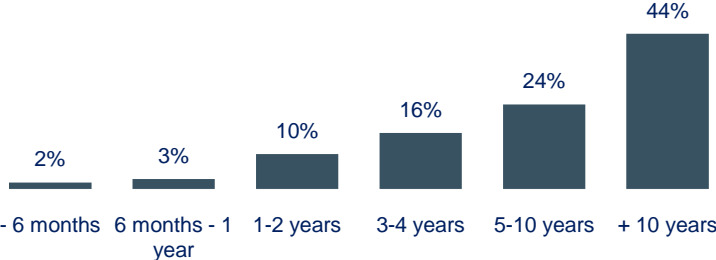


Sector/industry

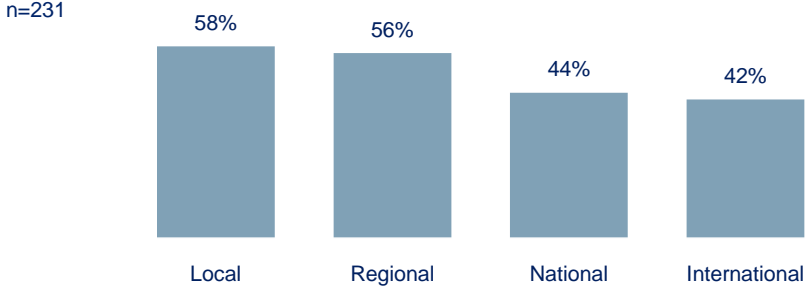
Base: All entrepreneurs.



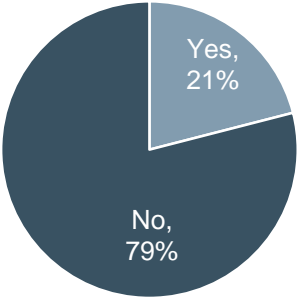
# Respondent profile (cont.)



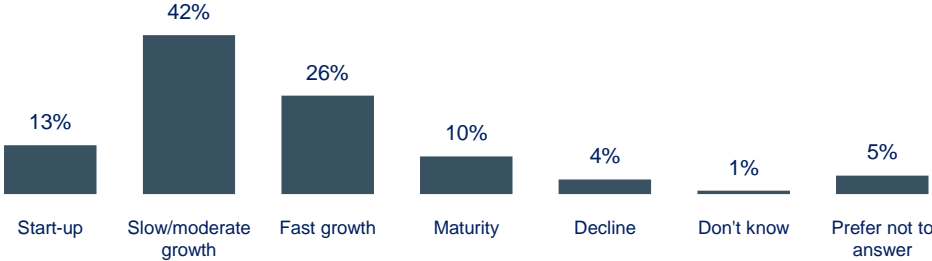
**Number of years in business**



**Market**



**BDC client**



**Business life stage**

*Note: Multiple mentions were permitted. This question leaves room for interpretation, whereby market could be perceived as existing or potential.*

## Marketing Research

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