



**Survey conducted among Angus Reid's *Forum*
Panel for the October 2010 Small Business Week**

June 2010



VISIONCRITICAL™
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Executive summary

INNOVATE...

- > Companies' perceived competitive advantage is mostly related to customer service, an approach that is somewhat traditional in nature but nonetheless effective
- > Innovation is a priority for most entrepreneurs; however, only a slight minority have a formal innovation strategy
- > Not surprisingly, given the above mentioned results, "Service innovation" represents the most important proportion of total business innovation activities
- > Reasons to innovate are somewhat diversified, but most importantly, innovation is perceived as a necessity for survival in the business world
- > Lack of funds and time are the two most common obstacles entrepreneurs face when it comes to innovating
- > That being said, a majority of entrepreneurs remain positive; they claim the outcome of their innovation activities have been successful overall

INVEST...

- > Entrepreneurs are relatively conservative when it comes to estimating future investments. Purchasing new equipment or machinery is the most common investment / planned investment
- > When asked to identify the reasons for investing, entrepreneurs appear quite proactive; the recession did not necessarily stop them from investing. For the most part, they invest because they need to improve procedures and productivity
- > Having sufficient working capital remains an important concern for entrepreneurs, especially when planning various investments

GROW...

- > Growing their business is something a majority of entrepreneurs find important. The larger the business, the more important growth becomes
- > When the time comes to identify their revenue growth for the next year, entrepreneurs are quite optimistic: close to half are aiming for growth of at least 10% in the next 12 months
- > Improving overall productivity and accessing new markets are the two actions entrepreneurs perceived as most beneficial for growing their company

Survey methodology

Survey methodology

Type of survey

- > Online survey conducted among the Angus Reid *Forum* panel; only business owners with 1 to 499 employees were asked to complete the survey.

Sample size

- > 2,484 panellists were invited to participate in the survey. 275 were disqualified and 830 completed it, which represents a completion rate of 33.4%.

Data collection

- > The survey invitation was sent to panellists on June 15 and a reminder was sent a few days later. The survey remained in field until June 23 2010.

Margin of error

- > With a probabilistic sampling methodology, the maximum margin of error for a sample size of 830 respondents would be ± 3.4 percentage points, at a 95% confidence level.

Data weighting

- > Respondents from all Canadian provinces and territories were invited to complete the survey. Results were weighted according to region and number of employees in order to be representative of the Canadian SME population.

Data processing

- > This survey was conducted among Angus Reid's *Forum* panellists. The Angus Reid team was in charge of sending the invitations and processing survey data. Data analysis and reporting were done by the BDC Marketing Research team, who also designed the questionnaire.

BRIEF PRESENTATION OF THE



- > The Angus Reid *Forum* is an online market research panel, which was launched in 2006 by Angus Reid Strategies (now Vision Critical) to give Canadians the opportunity to voice their opinions on a variety of topics and issues. Vision Critical was founded by Angus Reid, a research firm with a career spanning over three decades. The Angus Reid *Forum* has more than 30,000 panellists. Among these, approximately 5,000 are SME owners or partners.

Detailed results: Investment

Investment: Result overview

ENTREPRENEURS ARE RELATIVELY CONSERVATIVE WHEN ESTIMATING FUTURE INVESTMENTS

- > Purchasing new equipment or machinery is the most common investment and planned future investment (67% and 59% respectively mentioned it). The two other investments made / planned most frequently mentioned are:
 - Develop new products / services (40% did it and 49% plan to do it in the next 24 months)
 - Integrate new ICT (40% did it and 37% plan to do it)
- > When one compares past investments with those which entrepreneurs are planning to make, the following significant differences are noted:
 - Purchase new equipment / machinery (significant decrease of 8 pts between what was done and intentions for the next 24 months)
 - Develop new products / services (significant increase of 9 pts)
 - Invest in R&D (significant increase of 5 pts)
 - Expand in foreign markets (significant increase of 5 pts)

REASONS FOR INVESTING SHOW THAT ENTREPRENEURS ARE PROACTIVE DESPITE THE ECONOMIC SLOWDOWN

- > Out of the three main reasons entrepreneurs gave to explain why they made or intended to make the investments previously mentioned, two are proactive in nature, which is quite positive:
 - Need to improve procedures and productivity (47% mentioned it)
 - Need to invest in order to keep up with competition (34%)
 - Saw an opening in the market; decided to be proactive (30%)
- > Only 1 in 10 respondents claimed the investment they made or planned had been postponed due to the recent economic recession

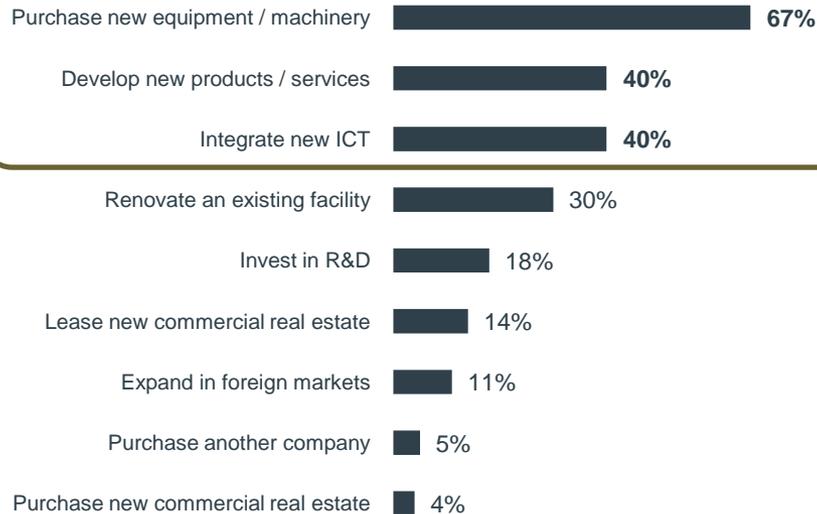
HAVING SUFFICIENT WORKING CAPITAL REMAINS AN IMPORTANT CONCERN TO ENTREPRENEURS REGARDING INTENDED INVESTMENTS

- > When asked what the main obstacles to investing were, a majority of entrepreneurs gave reasons related to financing:
 - Having sufficient working capital (56% mentioned this obstacle)
 - Securing the necessary financing (29%)

Investment: Past and future investments

PAST INVESTMENTS

Over the course of the last 24 months, did your company...



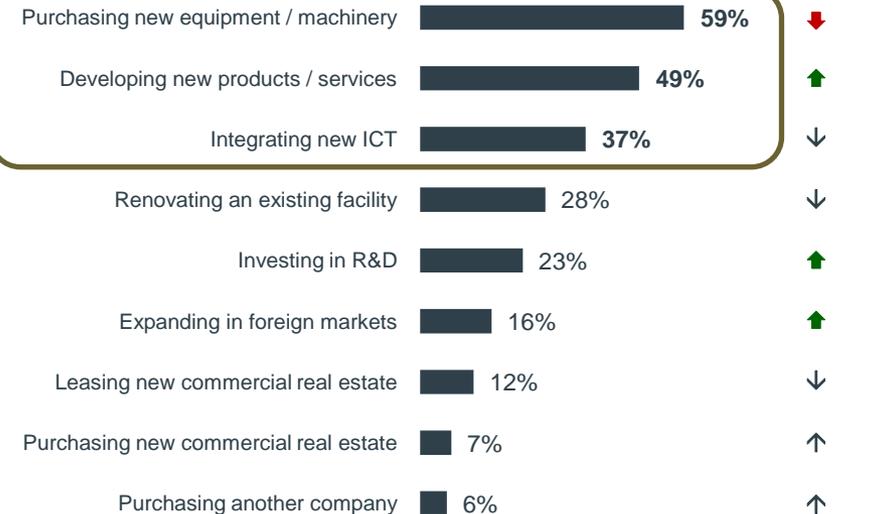
REGIONAL DIFFERENCES:

- Renovating an existing facility: greater proportion in Quebec (39%)
- Lease new commercial real estate: greater proportion in Quebec (22%)
- Lease new commercial real estate: smaller proportion in Atlantic (4%)
- Purchase new commercial real estate: smaller proportion in Quebec (1%)

Base: These questions were put to all respondents. Results are presented in terms of the proportion of respondents who answered "yes" to the question. ↑ and ↓ indicate variations that are significant from a statistical point of view.

FUTURE INVESTMENTS

Over the course of the next 24 months, does your company plan on...



REGIONAL DIFFERENCES:

- Expanding in foreign markets: greater proportion in Quebec (26%)
- Renovating an existing facility: smaller proportion in Ontario (22%)
- Investing in R&D: smaller proportion in Atlantic (12%)
- Leasing new commercial real estate: smaller proportion in Atlantic (4%)

Investment: Reasons for investing and main obstacles to making investments

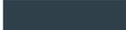
WHY DO ENTREPRENEURS INVEST?

Which of the following statements best explains your main reason for making the previous mentioned investments?

We needed to improve procedures and productivity  47%

We needed to invest in order to keep up with competition  34%

We saw an opening in the market; we decided to be proactive  30%

This investment was long overdue  22%

This investment has been postponed due to the recent economic recession  10%

We managed to secure the necessary financing  8%

REGIONAL DIFFERENCES:

- Needed to improve procedures and productivity: smaller proportion in Atlantic (32%)

Base: This question was put to the respondents who said they invested in the last 24 months or are planning to invest in the next 24 months. Multiple mentions were allowed; therefore, total exceeds 100%.

MAIN OBSTACLES

What are the main obstacles to making your intended investments or preventing you from making such investments?

Having sufficient working capital  56%

Securing the necessary financing  29%

Having the right information to make a clear decision  24%

Finding the right supplier, product or service  24%

REGIONAL DIFFERENCES:

- Securing the necessary financing: greater proportion in Quebec (47%) and smaller proportion in the West (21%)

Base: This question was put to the respondents who said they invested in the last 24 months or are planning to invest in the next 24 months. Multiple mentions were allowed; therefore, total exceeds 100%.

Detailed results: Innovation

In this survey, innovation was defined as follows:

Innovation is the introduction of something new. It can occur in the way companies are structured, in the products and services they offer, and in the way they develop, produce, market and deliver those products and services.

Innovation: Result overview

COMPANIES' PERCEIVED COMPETITIVE ADVANTAGE IS MOSTLY RELATED TO CUSTOMER SERVICE, AN APPROACH THAT IS SOMEWHAT TRADITIONAL IN NATURE BUT NONETHELESS EFFECTIVE

- > Four in ten of the entrepreneurs surveyed believe their company's competitive advantage is **customer service (40%)**. This stands out compared to the other advantages: innovation leader (12%), exclusivity (12%) and product leader (8%) being the three reasons most frequently given.

INNOVATION IS A PRIORITY FOR THREE QUARTERS OF THE ENTREPRENEURS SURVEYED, BUT MOST OF THEM DO NOT HAVE ANY FORMAL INNOVATION STRATEGY

- > When asked if **innovation was a priority** for their company, 74% of respondents answered **positively** (44% believe it is "somewhat" and 30% claim it is "very much" a priority).
 - Note that innovation seems to be taken more seriously in Western Canada, where 80% of respondents see it as a priority. This difference is significant from a statistical point of view.
- > When the time comes to summarize their innovation strategy, a **majority** of respondents (69%) claim they tend to **keep their "ears to the ground"** and funnel ideas generated by people around them and other elements in their business environment. Less than one in ten (9%) have a formal innovation strategy and structure in their business and one in ten (10%) claim they do not innovate at all.

"SERVICE INNOVATION" IS THE MOST REPRESENTED KIND OF INNOVATION IN THE BUSINESSES' TOTAL INNOVATION ACTIVITIES, FOLLOWED BY PRODUCT INNOVATION AND MARKETING AND SALES INNOVATION

- > On average, **close to 30%** of total innovation activities are **service innovation** activities (29.6%).
- > The two other kinds of innovation that are more present are product innovation (18.0% on average) and marketing and sales innovation (15.9%).
 - Interestingly, marketing and sales are an important part of the innovation strategy in Atlantic: 23.8% on average
- > Respondents were also asked how important information and communication technologies (**ICT**) were in their ability to innovate. **Close to three quarters** of them (71%) believe it is **either very or somewhat important**.

Innovation:

Result overview (cont.)

REASONS TO INNOVATE ARE QUITE DIVERSIFIED; THE ONE RESPONDENTS MENTIONED MOST OFTEN, HOWEVER, IS THAT INNOVATION IS A NECESSITY IN THE BUSINESS WORLD

- > What mainly encourages entrepreneurs to innovate is an **external factor**; they perceive innovation as a **necessary part of business survival** (25% of entrepreneurs mentioned this reason).
- > One in five respondents (20%) claim that they innovate because of a **strong desire to improve and be better**.
 - This reason is mentioned more frequently by entrepreneurs from the Atlantic provinces (39%).

SEVERAL OBSTACLES HINDER ENTREPRENEURS' ABILITY TO INNOVATE, MAINLY A LACK OF FUNDS AND TIME

- > When asked about the main difficulties that prevent them from innovating, more than half (54%) of entrepreneurs mentioned a **lack of funds** and close to half (46%) a **lack of time**.
 - These two factors affect Atlantic respondents to a smaller extent (36%, lack of funds and 21%, lack of time) but entrepreneurs in Ontario are significantly more affected by a lack of funds (61%). The recent economic crisis, which has affected Ontario more than the eastern regions, is probably no stranger to the situation.
- > It seems that smaller businesses are affected by a lack of funds and time to a greater extent than larger businesses. Larger businesses, with a greater pool of resources, are able to focus on innovation on a more strategic level since they are able to delegate more operational activities and secure the necessary financing.

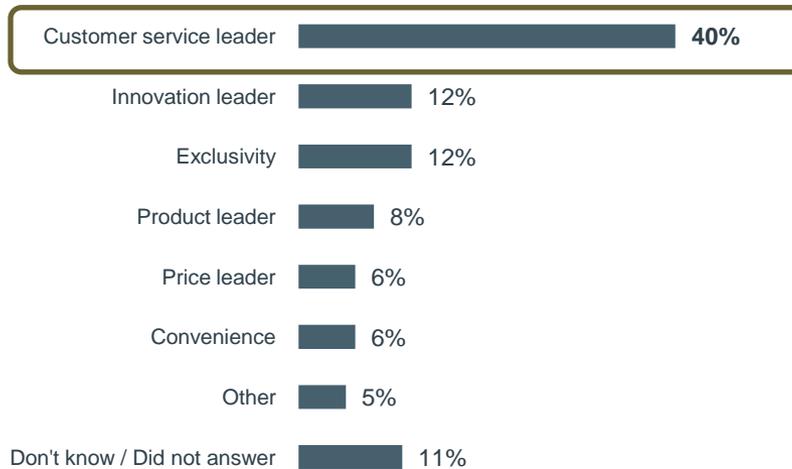
A SLIGHT MAJORITY OF RESPONDENTS BELIEVE THE OUTCOME OF THEIR INNOVATION ACTIVITIES HAS BEEN SUCCESSFUL UP TO NOW

- > Entrepreneurs were asked to assess the outcome of their innovation activities in terms of success and **three out of five** (60%) claimed their activities have been **successful**, a result that is quite positive.
- > That being said, only 11% believe they have been “very successful” and attributed a score of 9 or 10 out of 10 to this question.
- > An identical proportion (11%) claim their innovation activities have been unsuccessful.
 - Respondents from Western Canada are significantly more positive than the others when assessing their success: 67% claim their innovation activities have been successful.

Innovation: Companies' competitive advantage and innovation as a priority

COMPETITIVE ADVANTAGE

What is your company's competitive advantage?



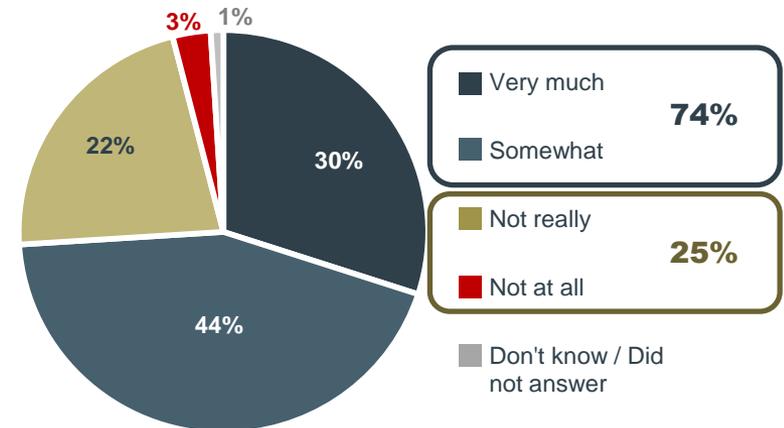
REGIONAL DIFFERENCES:

- Innovation leader: greater proportion in Quebec (19%) and smaller proportion in the West (8%)
- Convenience: smaller proportion in Quebec (0%)

Base: These questions were put to all respondents. Due to rounding, the sum of sub-groups may not be equal to the total.

INNOVATION: A PRIORITY?

Is innovation a priority for your company?



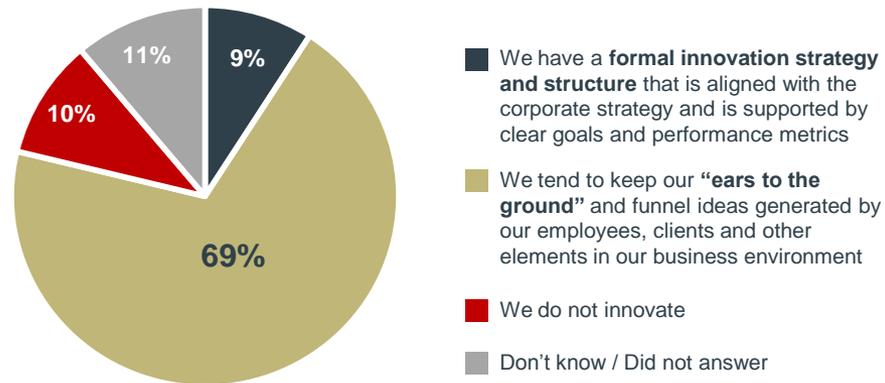
REGIONAL DIFFERENCES:

- The proportion of respondents who believe innovation is a priority for their company is significantly higher in the West (80%)

Innovation: Innovation strategy

INNOVATION STRATEGY

Which of the following statements best summarizes your innovation strategy?

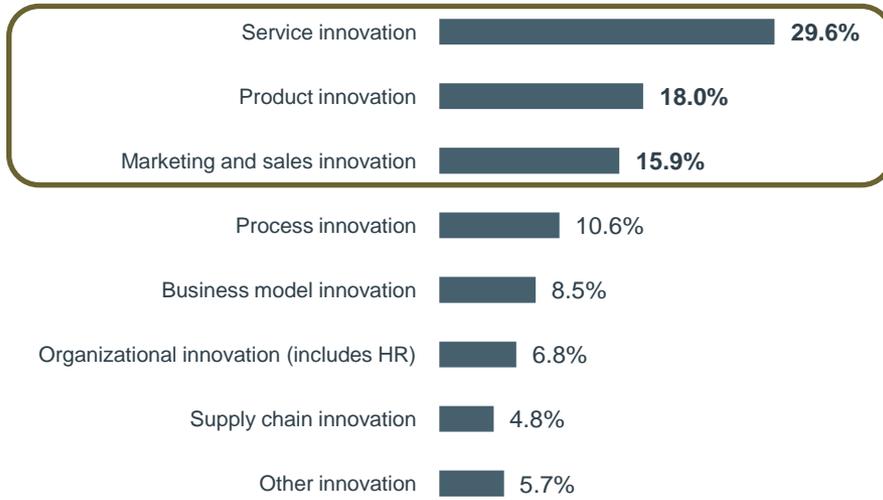


Base: This question was put to all respondents.

Innovation: Kinds of innovation and how ICT are important

KINDS OF INNOVATION

There are several kinds of innovation. For each of the following kinds, please indicate what proportion they represent out of your total innovation activities.



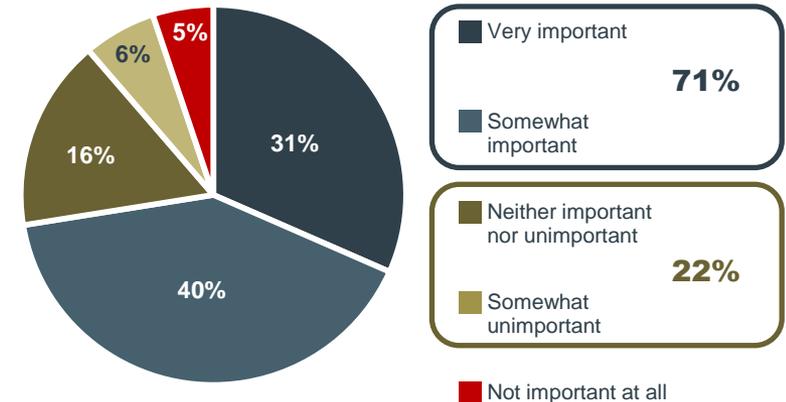
REGIONAL DIFFERENCES:

- Marketing and sales innovation: greater average proportion in Atlantic (23.8%)

Base: This question was put to respondents who innovate. Results are presented in terms of the average proportion for each kind of innovation.

ICT AND THE ABILITY TO INNOVATE

How important are information and communication technologies (ICT) in your ability to innovate?



REGIONAL DIFFERENCES:

- There are no regional differences for this question

Base: This question was put to respondents who innovate.

Innovation: Reasons to innovate and main obstacles to innovation

REASONS TO INNOVATE

What mainly encourages you to innovate?



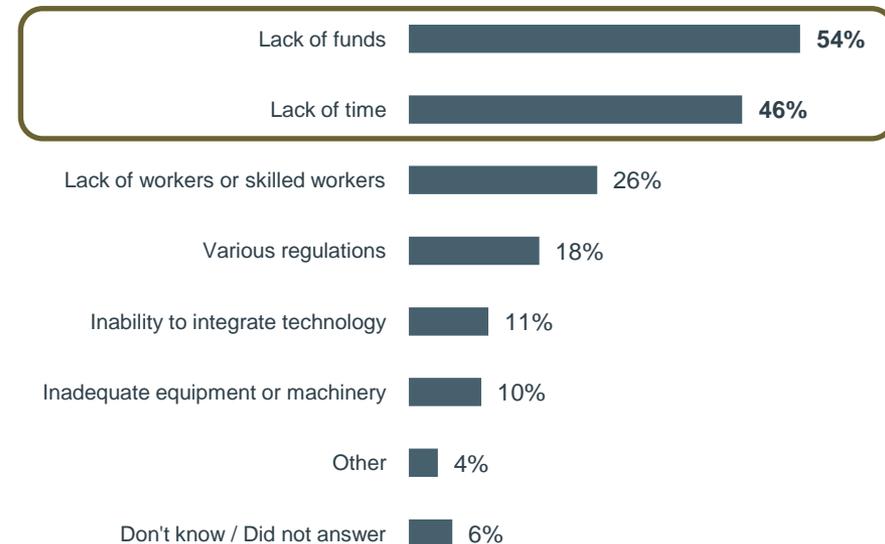
REGIONAL DIFFERENCES:

- A strong desire to improve, to be better: greater proportion in Atlantic (39%)
- Always have new ideas: smaller proportion in Atlantic (3%)

Base: These questions were put to respondents who innovate.

OBSTACLES TO INNOVATION

What are the main difficulties that may hinder your ability to innovate?



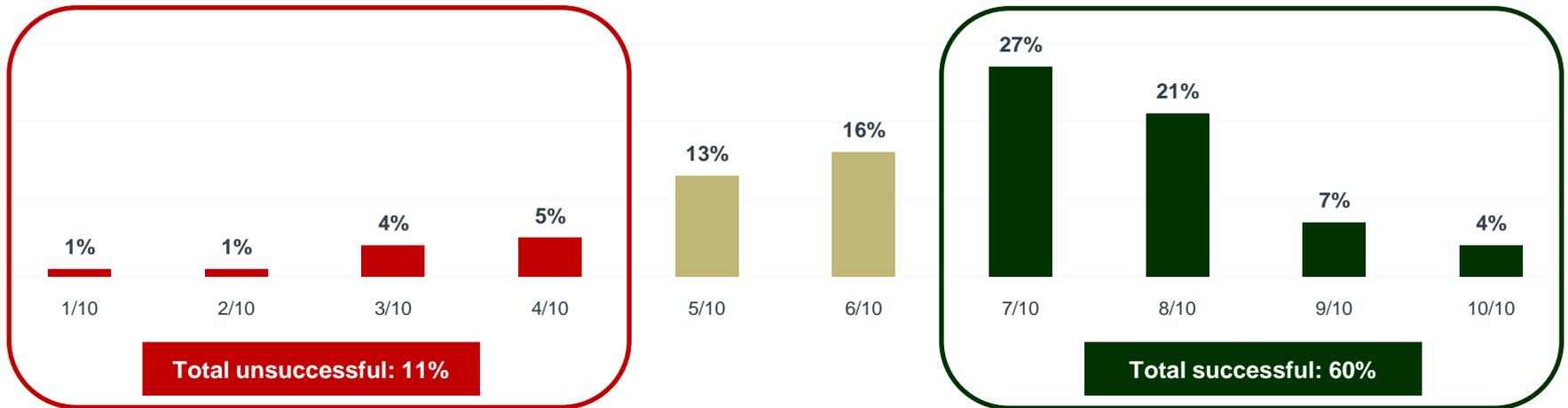
REGIONAL DIFFERENCES:

- Lack of funds: smaller proportion in Atlantic (36%) and greater proportion in Ontario (61%) and Quebec (58%)
- Lack of time: smaller proportion in Atlantic (21%)
- Lack of workers / skilled workers: smaller proportion in Ontario (19%) and greater in Quebec (35%)

Innovation: Success of innovation activities

HOW SUCCESSFUL ARE ENTREPRENEURS AT INNOVATING?

On a scale of 1 to 10, where 1 means “not successful at all” and 10 means “very successful,” how successful do you feel the outcome of your innovation activities has been?



Base: This question was put to all respondents. Those who did not answer or said they didn't know are not presented in this graph. Therefore, total does not equal to 100%. Due to rounding of categories, sub-totals (unsuccessful / successful) do not add up perfectly.

REGIONAL DIFFERENCE:

- Greater proportion of respondents who feel the outcome of their innovation activities have been successful in the **West** (67%)
- Other region scores are **not** statistically different:
 - 55% Atlantic
 - 49% Quebec
 - 60% Ontario

Detailed results: Growth

Growth: Result overview

GROWING THE BUSINESS IS PERCEIVED AS IMPORTANT BY A MAJORITY OF ENTREPRENEURS. MOREOVER, THE LARGER THE BUSINESS, THE MORE IMPORTANT IT IS TO SEE THE COMPANY GROW

- > A **majority** of entrepreneurs (78%) believe it is either very or somewhat **important to see their company grow**. Only 6% claim it is either somewhat unimportant or not important at all.
- > The importance of growth is **not related to region**; entrepreneurs from all four regions are equally ambitious when it comes to growing their business.
- > Growth ambitions seem to be related to other variables, namely **business size** and **sector of activity**. More specifically, the following differences were observed among sub-groups:
 - In terms of business size, entrepreneurs who own larger companies (50-499 employees) find growth more often important (89% vs. 82% for those with 5-49 employees and 75% for those with 1-4 employees).
 - Growth seems to be more important in the following sectors: Media and culture (96%), Manufacturing (92%) and Transportation and storage (90%).

WHEN ASKED TO EVALUATE THEIR TARGETED REVENUE GROWTH IN THE NEXT YEAR, ENTREPRENEURS ARE QUITE OPTIMISTIC: CLOSE TO HALF AIM FOR REVENUE GROWTH OF 10% OR MORE

- > Entrepreneurs were asked to identify their company's targeted **revenue growth** for the next 12 months; close to half (46%) aim for **10% or more**.
 - More specifically, 22% strive for growth between 10% and 14.9%; 9% are aiming for growth between 15% and 19.9%; and 15% are striving for 20% and over.
 - Note that respondents from the Atlantic provinces are less optimistic: only 3% of them are targeting 20% or more. This ratio climbs to 18% among entrepreneurs from Ontario.

IMPROVING OVERALL PRODUCTIVITY AND ACCESSING NEW MARKETS ARE THE TWO ACTIONS BELIEVED TO BE THE MOST BENEFICIAL TO GROW A COMPANY

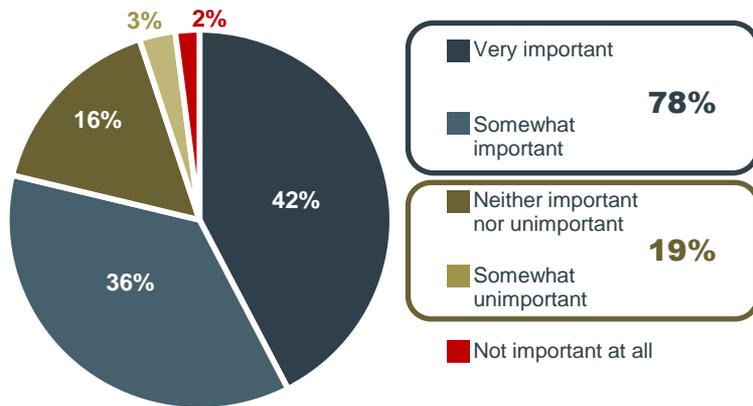
- > Overall, respondents believe that **improving overall productivity** (23%) and **accessing new markets** (22%) would help them the most in growing their business. Accessing new markets is particularly important to manufacturers (37% mentioned it).
- > Two other factors were mentioned to a lesser extent: developing new products and services (16%) and hiring additional skilled workers (16%). Hiring additional skilled workers is particularly important for those in the construction field (29% mentioned it).
- > When asked what they would have a team of professionals do for them first, entrepreneurs claimed they would like them to “find ways to access new markets” (21%) and “examine their procedures and processes in order to improve their overall productivity” (21%). These were the two most common answers.

Growth:

Importance of growth and growth targets for the next year

IMPORTANCE OF GROWTH

How important is it to see your company grow?



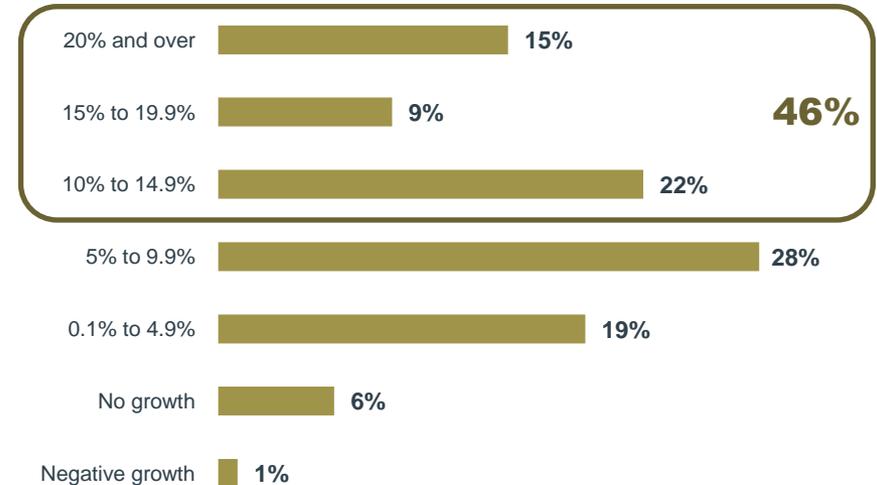
Base: These questions were put to all respondents. Due to rounding, the sum of sub-groups may not be equal to the total.

DIFFERENCES:

- Greater proportion of those who see growth as important among larger companies (50-499 employees): 89%
- Greater proportion of those who see growth as important among businesses in:
 - Media and culture (96%)
 - Manufacturing (92%)
 - Transportation and storage (90%)
- Smaller proportion of those who see growth as important among companies in:
 - Health (65%)
 - Retail – 10+ employees (45%)

TARGETS FOR REVENUE GROWTH

What is your target for your company's revenue growth in the next year?



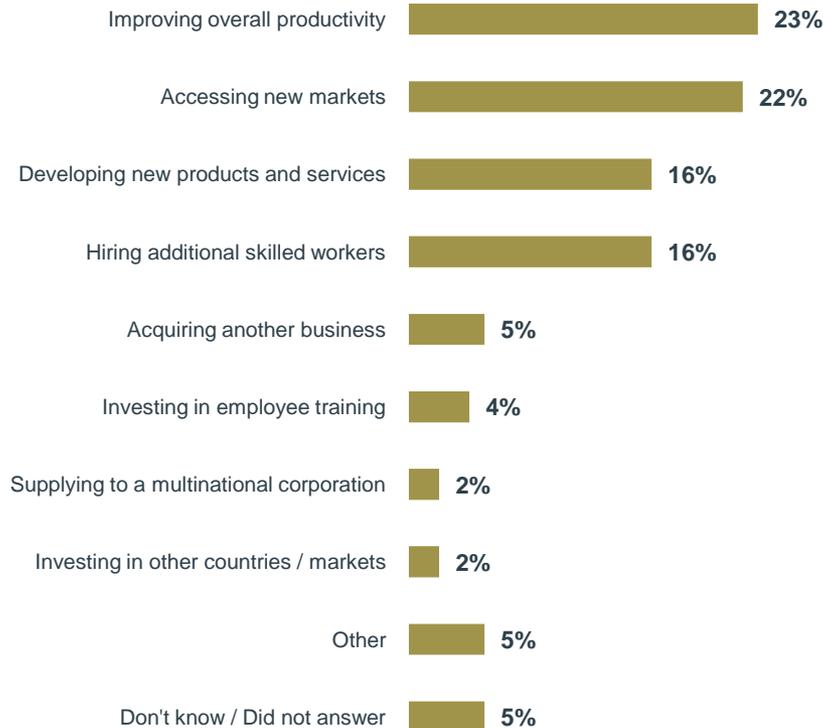
REGIONAL DIFFERENCES:

- Smaller proportion of respondents in Atlantic aim for revenue growth of 20% or more (3%) for the next year. This ratio climbs to 18% in Ontario.

Growth: Actions that would be beneficial to company growth

HOW TO GROW?

Which of the following actions would be the most beneficial to grow your company?



Base: This question was put to all respondents.

REGIONAL DIFFERENCES:

- > Developing new products and services: greater proportion in Quebec (27%)
- > Investing in employee training: smaller proportion in Atlantic and Quebec (0%)
- > Investing in other countries / markets: smaller proportion in Atlantic (0%)

DETAILED DIFFERENCES, SECTORS OF ACTIVITY

- > Accessing new markets: greater proportion in Manufacturing (37%)
- > Developing new products and services: smaller proportion in Transportation and storage (2%)
- > Hiring additional skilled workers: greater proportion in Construction (29%)
- > Acquiring another business: greater proportion in Retail – 10+ employees (36%)

Growth: In what areas do businesses need help?

REGIONAL DIFFERENCES:

- > Examine your procedures and processes in order to improve your overall productivity: **smaller** proportion in Atlantic (9%) compared to the West (25%)
- > Determine how new technologies could help the business: **greater** proportion in Atlantic (22%) and smaller proportion in the West (4%)
- > Develop new products and services: **smaller** proportion in Atlantic (0%)

DETAILED DIFFERENCES, BUSINESS SIZE

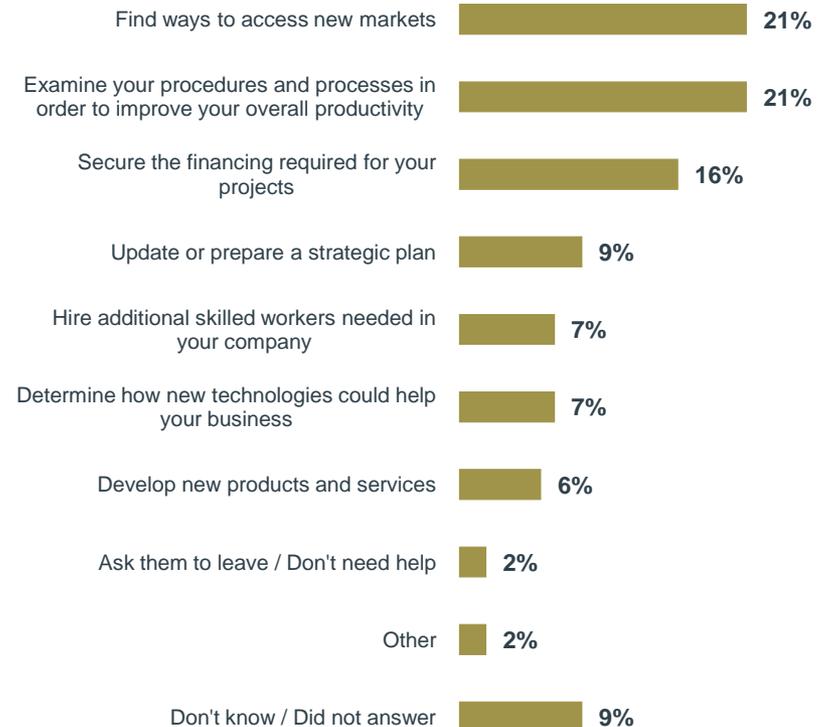
- > Secure the financing required for the projects: **smaller** proportion in businesses with 50-499 employees (11%)
- > Find ways to access new markets: **greater** proportion in businesses with 1-4 employees (25%)

DETAILED DIFFERENCES, SECTORS OF ACTIVITY

- > Find ways to access new markets: **greater** proportion in Manufacturing (48%) and Retail – 10+ employees (40%) and **smaller** proportion in Media and culture (4%) and Non-business services (1%)
- > Examine your procedures and processes in order to improve your overall productivity: **greater** proportion in Transportation and storage (38%)
- > Secure the financing required for the projects: **greater** proportion in Media and culture (52%) and Retail – 10+ employees (33%)
- > Hire additional skilled workers needed in your company: **greater** proportion in Construction (19%) as well Media and culture (23%)
- > Determine how new technologies could help your business: **greater** proportion in Non-business services (15%)
- > Develop new products / services: **greater** proportion in Recreation (22%) and none in Transportation, Media and culture, and Non-business services (all 0%)

CONSULTING NEEDS

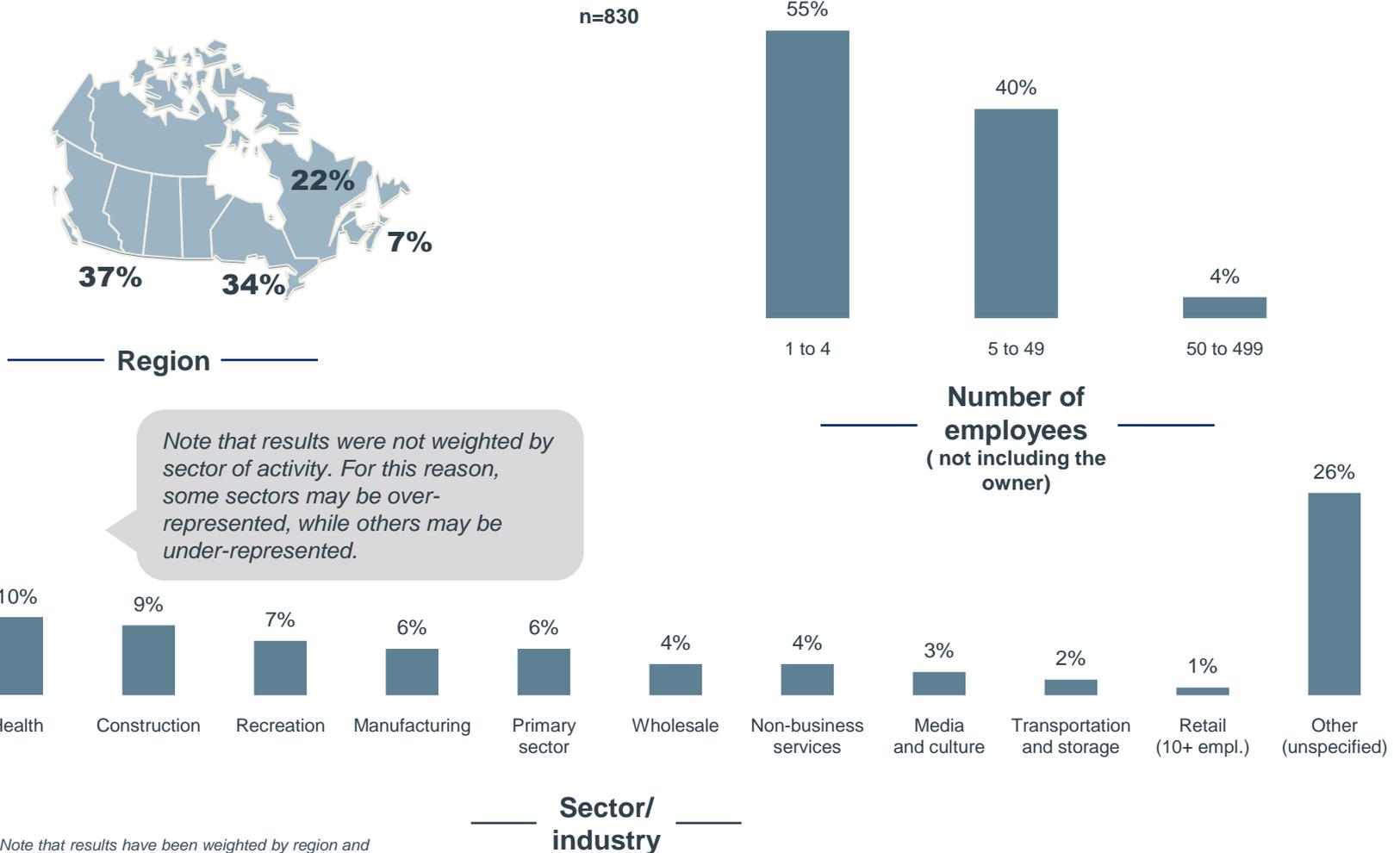
If a team of professionals walked into your office tomorrow morning to help your business, what would you have them do first?



Base: This question was put to all respondents.

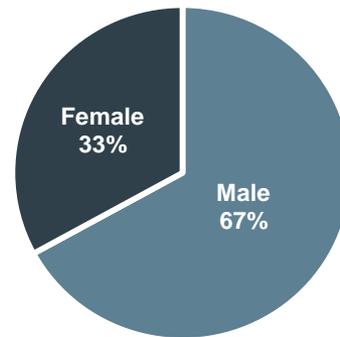
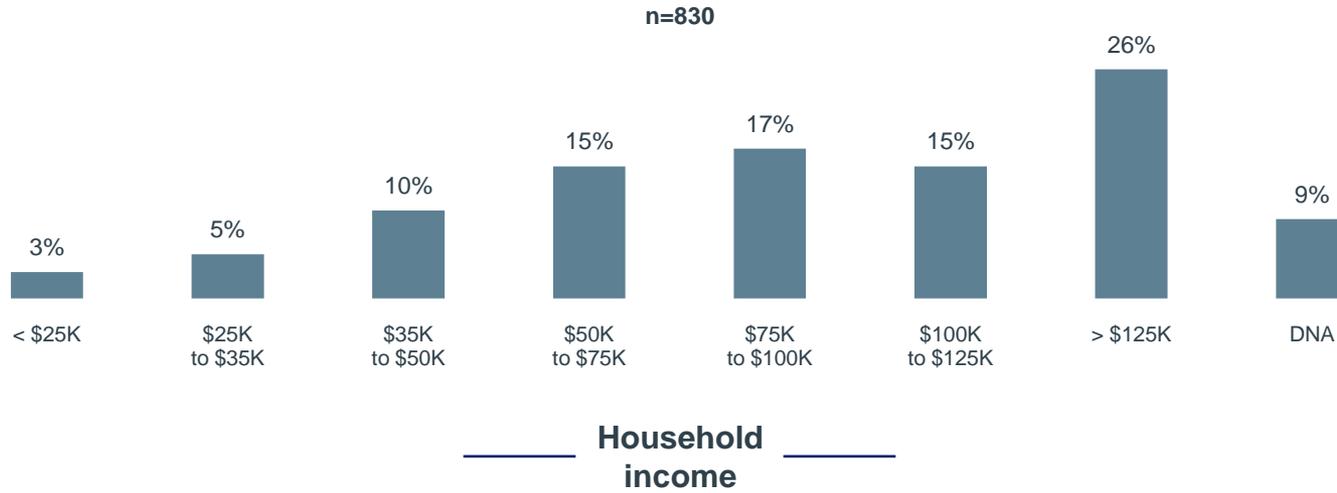
Respondent profile

Respondent profile



Base: All entrepreneurs. Note that results have been weighted by region and business size to be representative of the Canadian SME population

Respondent profile (cont.)



Base: All entrepreneurs. Note that results have been weighted by region and business size to be representative of the Canadian SME population

Appendix: regional results

Investment: Past investments

PAST INVESTMENTS

Over the course of the last 24 months, did your company...

	TOTAL	Atlantic	Quebec	Ontario	West
Purchase new equipment / machinery	67%	74%	60%	65%	71%
Develop new products / services	40%	46%	39%	39%	41 %
Integrate new ICT	40%	38%	41%	39%	42%
Renovate an existing facility	30%	26%	39%	26%	28%
Invest in R&D	18%	12%	18%	17%	22%
Lease new commercial real estate	14%	4%	22%	13%	13%
Expand in foreign markets	11%	6%	16%	10%	11%
Purchase another company	5%	11%	5%	4%	5%
Purchase new commercial real estate	4%	6%	1%	5%	6%

Base: This question was asked to all respondents. Numbers in green and in red indicate meaningful differences between regions.

Investment: Future investments

FUTURE INVESTMENTS

Over the course of the next 24 months, does your company plan on...

	TOTAL	Atlantic	Quebec	Ontario	West
Purchasing new equipment / machinery	59%	62%	52%	57%	63%
Developing new products / services	49%	60%	52%	47%	47%
Integrating new ICT	37%	34%	38%	33%	39%
Renovating an existing facility	28%	32%	33%	22%	29%
Investing in R&D	23%	12%	29%	21%	24%
Expanding in foreign markets	16%	13%	26%	14%	14%
Leasing new commercial real estate	12%	4%	16%	11%	13%
Purchasing new commercial real estate	7%	9%	8%	5%	8%
Purchasing another company	6%	13%	5%	6%	5%

Base: This question was asked to all respondents. Results are presented in terms of the proportion of respondents who answered "yes" to the question. Numbers in green and in red indicate meaningful differences between regions.

Investment: Reasons for investing

WHY DO ENTREPRENEURS INVEST?

Which of the following statements best explains your main reason for making the previous mentioned investments?

	TOTAL	Atlantic	Quebec	Ontario	West
We needed to improve procedures and productivity	47%	32%	46%	48%	49%
We needed to invest in order to keep up with competition	34%	38%	39%	30%	34%
We saw an opening in the market; we decided to be proactive	30%	42%	26%	31%	30%
This investment was long overdue	22%	21%	25%	20%	21%
This investment has been postponed due to the recent economic recession	10%	5%	7%	12%	12%
We managed to secure the necessary financing	8%	10%	10%	8%	6%

Base: This question was asked to the respondents who mentioned they invested in the last 24 months or are planning to invest in the next 24 months. Multiple mentions were allowed; therefore, total exceeds 100%. Numbers in green and in red indicate meaningful differences between regions.

Investment: Main obstacles to making investments

MAIN OBSTACLES MENTIONED

What are the main obstacles to making your intended investments or preventing you from making such investments?

	TOTAL	Atlantic	Quebec	Ontario	West
Having sufficient working capital	56%	67%	54%	57%	55%
Securing the necessary financing	29%	24%	47%	27%	21%
Having the right information to make a clear decision	24%	16%	20%	27%	26%
Finding the right supplier, product or service	24%	21%	19%	26%	24%

Base: This question was asked to the respondents who mentioned they invested in the last 24 months or are planning to invest in the next 24 months. Multiple mentions were allowed; therefore, total exceeds 100%. Numbers in green and in red indicate meaningful differences between regions.

Innovation: Companies' competitive advantage

COMPETITIVE ADVANTAGE

What is your company's competitive advantage?

	TOTAL	Atlantic	Quebec	Ontario	West
Customer service leader	40%	29%	44%	39%	41%
Innovation leader	12%	12%	19%	11%	8%
Exclusivity	12%	17%	12%	10%	13%
Product leader	8%	4%	10%	7%	7%
Price leader	6%	3%	9%	7%	5%
Convenience	6%	8%	0%	7%	8%
Other	5%	11%	0%	5%	8%
Don't know / Did not answer	11%	14%	6%	14%	10%

Note: Due to rounding, the total may be greater than or less than 100%.

Base: This question was asked to all respondents. Numbers in green and in red indicate meaningful differences between regions.

Innovation: Innovation as a priority

INNOVATION: A PRIORITY?

Is innovation a priority for your company?

	TOTAL	Atlantic	Quebec	Ontario	West
Very much	30%	36%	26%	32%	28%
Somewhat	44%	30%	45%	39%	52%
Not really	22%	18%	26%	26%	17%
Not at all	3%	12%	0%	3%	2%
Don't know / Did not answer	1%	4%	2%	0%	1%
Total important	74%	66%	72%	71%	80%

Note: Due to rounding, the total may be greater than or less than 100%.

Base: This question was asked to all respondents. Numbers in green and in red indicate meaningful differences between regions.

Innovation: Innovation strategy

INNOVATION STRATEGY

Which of the following statements best summarizes your innovation strategy?

	TOTAL	Atlantic	Quebec	Ontario	West
We have a formal innovation strategy and structure that is aligned with the corporate strategy and is supported by clear goals and performance metrics	9%	4%	17%	7%	9%
We tend to keep our "ears to the ground" and funnel ideas generated by our employees, clients and other elements in our business environment	69%	78%	58%	72%	72%
We do not innovate	10%	15%	9%	11%	9%
Don't know / Did not answer	11%	3%	16%	10%	11%

Note: Due to rounding, the total may be greater than or less than 100%.

Base: This question was asked to all respondents.

Innovation:

Kinds of innovation

KINDS OF INNOVATION

There are several kinds of innovation. For each of the following innovations, please indicate what proportion they represent out of your total innovation activities.

	TOTAL	Atlantic	Quebec	Ontario	West
Service innovation	29.6%	25.2%	34.4%	25.5%	31.4%
Product innovation	18.0%	18.0%	15.7%	19.5%	17.9%
Marketing and sales innovation	15.9%	23.8%	13.6%	15.4%	16.3%
Process innovation	10.6%	9.9%	11.7%	12.6%	8.3%
Business model innovation	8.5%	6.8%	8.6%	9.4%	8.1%
Organizational innovation (includes HR)	6.8%	7.2%	5.3%	6.3%	8.1%
Supply chain innovation	4.8%	3.5%	7.0%	5.0%	3.6%
Other innovation	5.7%	5.6%	3.8%	6.4%	6.3%

Note: Due to rounding, the total may be greater than or less than 100%.

Base: This question was asked to respondents who innovate. Results are presented in terms of the average proportion for each type of innovation. Numbers in green and in red indicate meaningful differences between regions.

Innovation: How ICT are important to innovate

ICT AND THE ABILITY TO INNOVATE

How important are information and communication technologies (ICT) in your ability to innovate?

	TOTAL	Atlantic	Quebec	Ontario	West
Very important	31%	42%	24%	35%	29%
Somewhat important	40%	35%	37%	40%	42%
Total important	71%	77%	61%	75%	71%
Neither important nor unimportant	16%	11%	24%	14%	15%
Somewhat unimportant	6%	0%	12%	6%	6%
Not important at all	5%	11%	3%	6%	5%

Note: Due to rounding, the total may be greater than or less than 100%.

Base: This question was asked to respondents who innovate.

Innovation: Reasons to innovate

REASONS TO INNOVATE

What mainly encourages you to innovate?

	TOTAL	Atlantic	Quebec	Ontario	West
I consider it as a necessary part of business survival	25%	29%	23%	26%	24%
A strong desire to improve, to be better	20%	39%	22%	19%	18%
I believe that innovation creates new opportunities	14%	9%	14%	13%	15%
A strong desire to differentiate my business in the marketplace	13%	9%	19%	13%	12%
I always have new ideas and to me, innovation is part of being an entrepreneur	13%	3%	11%	12%	17%
I believe that innovation helps to increase the growth of my business	11%	11%	9%	13%	12%
Don't know / Did not answer	2%	0%	0%	3%	3%

Note: Due to rounding, the total may be greater than or less than 100%.

Base: This question was asked to respondents who innovate. Numbers in green and in red indicate meaningful differences between regions.

Innovation: Main obstacles to innovation

OBSTACLES TO INNOVATION

What are the main difficulties that may hinder your ability to innovate?

	TOTAL	Atlantic	Quebec	Ontario	West
Lack of funds	54%	36%	58%	61%	49%
Lack of time	46%	21%	50%	47%	47%
Lack of workers or skilled workers	26%	20%	35%	19%	28%
Various regulations	18%	25%	22%	16%	17%
Inability to integrate technology	11%	7%	13%	12%	10%
Inadequate equipment or machinery	10%	11%	5%	9%	14%
Other	4%	5%	10%	4%	3%
Don't know / Did not answer	6%	10%	5%	6%	5%

Base: This question was asked to respondents who innovate. Numbers in green and in red indicate meaningful differences between regions.

Innovation: Success of innovation activities

HOW SUCCESSFUL ARE ENTREPRENEURS AT INNOVATING?

On a scale of 1 to 10, where 1 means “not successful at all” and 10 means “very successful”, how successful do you feel the outcome of your innovation activities have been?

	TOTAL	Atlantic	Quebec	Ontario	West
1/10	1%	0%	2%	0%	1%
2/10	1%	0%	0%	1%	1%
3/10	4%	0%	7%	4%	2%
4/10	5%	8%	4%	6%	6%
Total unsuccessful	11%	8%	13%	12%	9%
5/10	13%	8%	11%	15%	13%
6/10	16%	26%	27%	13%	10%
Total neutral	29%	35%	38%	27%	23%
7/10	27%	4%	24%	25%	34%
8/10	21%	36%	14%	21%	23%
9/10	7%	3%	6%	8%	6%
10/10	4%	8%	6%	4%	3%
Total successful	59%	52%	49%	59%	66%

Note: Due to rounding, the total may be greater than or less than 100%.

Base: This question was asked to all respondents. Those who did not answer or said they didn't know are not presented in this graph. Therefore, total does not equal to 100%. Due to rounding of categories, sub-totals (unsuccessful / successful) do not perfectly sum up. Numbers in green and in red indicate meaningful differences between regions.

Growth: Importance of growth

IMPORTANCE OF GROWTH

How important is it to see your company grow?

	TOTAL	Atlantic	Quebec	Ontario	West
Very important	42%	40%	45%	41%	42%
Somewhat important	36%	39%	29%	39%	37%
Total important	78%	79%	73%	80%	79%
Neither important nor unimportant	16%	10%	24%	13%	15%
Somewhat unimportant	3%	3%	2%	4%	4%
Not important at all	2%	8%	0%	3%	1%
Total unimportant	6%	11%	3%	7%	5%

Note: Due to rounding, the total may be greater than or less than 100%.

Base: This question was asked to all respondents. Numbers in green and in red indicate meaningful differences between regions.

Growth:

Importance of growth and growth targets for the next year

TARGETS FOR REVENUE GROWTH

What is your target for your company's revenue growth in the next year?

	TOTAL	Atlantic	Quebec	Ontario	West
20% and over	15%	3%	15%	18%	14%
15% to 19.9%	9%	10%	5%	7%	13%
10% to 14.9%	22%	31%	21%	21%	21%
5% to 9.9%	28%	33%	32%	26%	27%
0.1% to 4.9%	19%	20%	20%	23%	16%
No growth	6%	3%	8%	5%	7%
Negative growth	1%	0%	0%	0%	1%

Note: Due to rounding, the total may be greater than or less than 100%.

Base: This question was asked to all respondents. Numbers in green and in red indicate meaningful differences between regions.

Growth:

Actions that would be beneficial to company growth

HOW TO GROW?

Which of the following actions would be the most beneficial to grow your company?

	TOTAL	Atlantic	Quebec	Ontario	West
Improving overall productivity	23%	15%	23%	19%	27%
Accessing new markets	22%	32%	14%	24%	24%
Developing new products and services	16%	12%	27%	15%	12%
Hiring additional skilled workers	16%	22%	13%	19%	14%
Acquiring another business	5%	10%	6%	4%	4%
Investing in employee training	4%	0%	0%	5%	5%
Supplying to a multinational corporation	2%	0%	3%	3%	2%
Investing in other countries / markets	2%	0%	5%	2%	1%
Other	5%	4%	5%	5%	4%
Don't know / Did not answer	5%	3%	3%	4%	8%

Note: Due to rounding, the total may be greater than or less than 100%.

Base: This question was asked to all respondents. Numbers in green and in red indicate meaningful differences between regions.

Growth:

In what areas do businesses need help?

CONSULTING NEEDS

If a team of professionals walked into your office tomorrow morning to help your business, what would you have them do first?

	TOTAL	Atlantic	Quebec	Ontario	West
Find ways to access new markets	21%	24%	23%	20%	19%
Examine your procedures and processes in order to improve your overall productivity	21%	9%	15%	23%	25%
Secure the financing required for your projects	16%	20%	20%	14%	15%
Update or prepare a strategic plan	9%	14%	3%	9%	10%
Hire additional skilled workers needed in your company	7%	7%	8%	7%	8%
Determine how new technologies could help your business	7%	22%	7%	7%	4%
Develop new products and services	6%	0%	10%	6%	6%
Ask them to leave / Don't need help	2%	3%	2%	3%	1%
Other	2%	0%	5%	2%	0%
Don't know / Did not answer	9%	1%	7%	9%	11%

Note: Due to rounding, the total may be greater than or less than 100%.

Base: This question was asked to all respondents. Numbers in green and in red indicate meaningful differences between regions.

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